Mahlon Milton Read to be major, Coast Artillery Corps. Allen Ferdinand Grum to be major, Ordnance Department. Bernard Clark Dailey to be major, Coast Artillery Corps. Eduardo Andino to be major, Infantry.

Robert Elwyn DeMerritt to be major, Coast Artillery Corps. James Franklin Powell to be major, Air Corps (temporary major, Air Corps).

William Dalton Hohenthal to be major, Coast Artillery

James Ralph Lowder to be major, Coast Artillery Corps. Willard Warren Scott to be major, Coast Artillery Corps. Leonard Louis Davis to be major, Coast Artillery Corps. Webster Fletcher Putnam, Jr., to be major, Coast Artillery

Merle Halsey Davis to be major, Ordnance Department. Henry Devries Cassard to be major, Coast Artillery Corps. Will Rainwater White to be major, Quartermaster Corps. George Albert Bentley to be major, Quartermaster Corps. Edward Hanson Connor, Jr., to be major, Infantry. Norris Whitlock Osborn to be major, Ordnance Depart-

Harry Raymond Leighton to be major, Veterinary Corps. Verne Clifford Hill to be major, Veterinary Corps. Elmer William Young to be major, Veterinary Corps. Harold George Ott to be major, Dental Corps. Conrad Toral Kvam to be captain, Dental Corps. Albert Woods Shiflet to be captain, Medical Corps. Kenneth Rider Nelson to be captain, Medical Corps. Gottlieb Leonard Orth to be captain, Medical Corps. James Coney Bower to be first lieutenant, Medical Administrative Corps.

James Lemuel Blakeney to be chaplain with the rank of lieutenant colonel, United States Army.

George Foreman Rixey to be chaplain with the rank of lieutenant colonel, United States Army.

William Joseph Ryan to be chaplain with the rank of lieutenant colonel, United States Army.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY Maj. Abraham Robert Ginsburgh to Judge Advocate General's Department.

Capt. John Prame Kaylor to Field Artillery.

POSTMASTERS

CALIFORNIA

Doris Welsh Folsom, Walkermine.

Jerome A. Borkovec, Berwyn. Clifford L. Neely, Hines. Bohumil Plos, Lyons. Thomas Edward Mostyn, Midlothian.

LOUISIANA

Lewis L. Morgan, Jr., Covington. Charles William Wilson, New Roads. Ernest S. Jemison, Slidell.

TENNESSEE

Bessie T. Queener, Jacksboro.

## WITHDRAWAL

Executive nomination withdrawn from the Senate August 6 (legislative day of July 22), 1937

POSTMASTER

NEW YORK

Miss Mary J. O'Brien to be postmistress at Bedford, in the State of New York.

#### REJECTION

Executive nomination rejected by the Senate August 6 (legislative day of July 22), 1937

POSTMASTER

LOUISIANA

Oscar Ross Lang to be postmaster at Montgomery, in the State of Louisiana

# HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 6, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again, O Lord, Thou hast remembered Thy tender mercies and loving kindnesses; open Thou unto us the gates of Thy righteousness and may we go into them. We thank Thee for Thy promise: if any man lack wisdom, let him ask Thee; no true seeker shall miss this saving truth. We pray Thee that we may deaden self and thirst for the right and stand forth with the first-born sons of light. Open our minds to the truth and help us to understand Thy gracious will. O Immanuel, Son of God, be a light within us this day; give us strength, courage, and grace for its duties. We pray Thee to bring us all into harmony with Thee and make us worthy of that universe of light of which Thou art the center. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 826. An act for the relief of the estate of H. Lee Shelton. the estate of Mrs. H. Lee Shelton, Mrs. J. R. Scruggs, and Mrs. Irvin Johnson; and

S. 1219. An act for the relief of Pauline M. Warden, nee Pauline McKinney.

VIRGINIA DARE AND SIR WALTER RALEIGH'S COLONY AT ROANOKE ISLAND

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 17, Seventy-fifth Congress, the Chair appoints as members of the joint committee on the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare and the three hundred and fiftieth anniversary of the disappearance of Sir Walter Raleigh's colony, to be held at Roanoke Island, N. C., on August 18, 1937, the following Members of the House: Mr. WARREN, Mr. RAYBURN, Mr. BLAND, Mr. BOLAND, and Mr. SNELL.

# EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to extend his own remarks in the RECORD.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record at this point, by including therein a statement made this morning and released by the Secretary of State, having to do with a trade agreement with Russia.

Mr. MARTIN of Massachusetts. Does the gentleman request to put that in at this point in the RECORD?

Mr. ANDREWS. At this point; yes. The SPEAKER. The Chair does not feel that he can entertain a unanimous-consent request of that sort unless remarks are made by a Member on the floor. The Chair is of the opinion it is bad legislative practice to extend extraneous matters in the body of the RECORD.

Mr. ANDREWS. Mr. Speaker, I withdraw the request and ask unanimous consent that I may extend my remarks, as indicated, in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOPE. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently there is not a quorum present.

Mr. JONES. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 136]

Bacon	Doxey	Johnson, Minn.	Shanley
Biermann	Drewry, Va.	Kelly, N. Y.	Simpson
Binderup	Driver	Kerr	Sirovich
Boyer	Eaton	Kirwan	Smith, Conn.
Brewster	Eicher	Kloeb	Smith, Maine
Buckley, N. Y.	Ellenbogen	Lambeth	Smith, Va.
Bulwinkle	Farley	Luckey, Nebr.	Smith, W. Va.
Caldwell	Fernandez	McClellan	Snell
Cannon, Wis.	Fitzpatrick	McGranery	Somers, N. Y.
Celler	Flannagan	McLean	Spence
Clark, N. C.	Flannery	Maas	Stack
Cochran	Fulmer	May	Starnes
Cole, N. Y.	Gasque	Meeks	Sullivan
Cooper	Gavagan	O'Connor, N. Y.	Taylor, Colo.
Cox	Gifford	O'Neal, Ky.	Thomas, N. J.
Creal	Gilchrist	Palmisano	Tobey
Crosser	Gildea	Pettengill	Towey
Crowe	Gray, Ind.	Peyser	Treadway
Crowther	Gray, Pa.	Pfeifer	Vinson,B. M.
Culkin	Gregory	Plumley	Voorhis
Dempsey	Gwynne	Quinn	Wood
Dickstein	Harter	Sadowski	
Dingell	Hartley	Scrugham	
Douglas	Hill, Ala.	Seger	

The SPEAKER. Three hundred and thirty-six Members have answered to their names, a quorum.

On motion of Mr. Jones, further proceedings under the call were dispensed with.

#### ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, the morning press informs us 41 Members of the Senate have signed a petition for a special session on October 15. It is stated this suggestion was inspired by the President.

I realize, of course, the spirit to treat Congress rather roughly and tell us nothing. I believe, in all fairness to the Members who have been here  $7\frac{1}{2}$  months, we ought to know what the program is. There is a lot of legislation pending that it is intended to push through in a hurried way, legislation which affects every nook and corner and every phase of American life. If we are going to come back for a special session on October 15, surely there is no reason for the present session to continue longer than tomorrow night. Personally, I do not favor a special session, because I believe one is unnecessary and expensive. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for one-half minute more.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

Mr. MARTIN of Massachusetts. I do say if we are going to have a special session there is no justification for the present one to be continued longer, and that legislation be hurried through without mature consideration. I hope the leadership of the House will see that the rank and file have more knowledge of their plans in the future than they have had in the past. [Applause.]

### RIVER AND HARBOR BILL

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. Mansfield, DeRouen, Gavagan, Seger, and Carter.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I thought after making a statement in the House last week in reply to a question propounded by the minority leader [Mr. Snell] that the program for the remainder of this session was well understood. It was put in the Record exactly as I stated it.

There is no disposition, certainly, on the part of the Speaker of the House or myself, to hold this Congress any longer than is absolutely necessary [applause], and it is our hope that by the 21st or the 25th of the present month a program will be finished, and that it will be such a program there will be no necessity for a recess of Congress or an extra session of Congress this fall, and in order to obviate any necessity for a recess until fall and, we hope, any necessity for an extra session being called by the President, we think that if everybody will be patient for 2 more weeks, we will know the definite date upon which we are going to adjourn. [Applause.]

Mr. COLMER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLMER. Mr. Speaker, few Members on either side of the aisle have supported labor and this administration through this great national emergency more consistently than I have. But I want to serve notice now, as one who is not breaking his neck to adjourn and go home, that there is going to be no consideration of a wage and hour bill, so far as I am concerned, unless there is some action for the relief of the farmer who is now facing a tragic falling market for his cotton and other products. A wage and hour law, greatly increasing the cost of everything the farmer must use, with a falling market on his products, would be fatal.

### EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, rather than ask unanimous consent to address the House for a minimum period, I ask unanimous consent to extend my remarks in the RECORD at this point on the question of an early report on the housing bill by the House Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. JONES. Mr. Speaker, reserving the right to object, we can carry on a discussion here all day long, but we have important legislation to consider, and we asked the House to meet at 11 o'clock this morning in order to finish it this evening. I must object to any further discussion at this time. When we have finished the legislation, I shall have no objection to it.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, I dislike to object to any request of my distinguished colleague from Massachusetts [Mr. McCormack], but already this morning it was made impossible for a Member on this side to insert his remarks at this point. I object.

Mr. McCORMACK. Then, Mr. Speaker, I renew my request and ask unanimous consent to extend my remarks in the Appendix.

The SPEAKER. The gentleman from Massachusetts modifies his request in the manner indicated. Is there objection?

There was no objection.

### SUGAR BILL OF 1937

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the further consideration of the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7667, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the agreement yesterday, the reading of the bill is dispensed with, and the first matter to be considered will be the first committee amendment, which the Clerk will report.

The Clerk read as follows:

Page 24, between lines 2 and 3, strike out "30,000 to 50,000 and sert "more than 30,000."

Strike out "More than 50,000\_\_\_\_\_ .450."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. Jones: Page 7, before line 8, insert "in no case shall the quota for the Commonwealth of the Philippine Islands be less than the duty-free quota now established by the provisions of the Philippine Independence

Mr. JONES. Mr. Chairman, that is simply a provision that should have been in this bill, to make it so that we will not violate the Philippine Independence Act.

The CHAIRMAN. The question is on agreeing to the

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. Jones: Page 33, line 17, strike out "December 31, 1940" and insert "June 30, 1941."

Mr. JONES. Mr. Chairman, this is a correction, so that the tax will apply uniformly on the whole year's crop.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. Jones: Page 37, line 12, strike out "December 31, 1940" and insert "June 30, 1941."

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 37, line 14, strike out "such date" and insert "December 31, 1940."

Mr. JONES. That makes it conform to the other.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Jones: Page 14, strike out lines 1 to 8, both inclusive.

Page 14, line 9, strike out "(c)" and insert "Sec. 207. (a)."
Page 14, line 11, strike out "(d)" and insert "(b)."
Page 14, line 15, strike out "(e)" and insert "(c)."
Page 14, line 8, strike out "(f)" and insert "(d)."

Mr. JONES. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, this is not a committee amendment, but is one which I am offering to the bill. This is the important, controversial amendment that will be offered to the bill, and I propose to allow, with the consent of the committee, rather full discussion, which it should

This is an amendment to strike out subdivisions (a) and (b) of section 207 on page 14, and is the amendment which has been discussed somewhat during the general debate. I am going to talk frankly to the members of the committee and to those who are interested in legislation. I believe that the true friends of legislation, if they are wise, will agree to these amendments. I hope that those who want to secure legislation-and I am speaking from a disinterested viewpoint-will not permit their pride or feeling to control their judgment. As a great President once said, we are face to face with a condition and not a theory; and if you want legislation I believe these amendments should be adopted.

The administration, including the President, is very much opposed to these two paragraphs remaining in the bill. There is some criticism of that position being made known, but I think there is pretty good reason for it when a number of groups went to see him, both from among Members of Congress and elsewhere. At any rate, I want to say to the friends of this legislation that this is not the important provision in the bill, and I hope you will not permit a relatively unimportant amendment to jeopardize or imperil the major objectives of this legislation.

I am not going to discuss, in the main, the particular merits of the question. It is a debatable question. It is not a one-sided question; but just as a practical proposition, the bill as it is now written places control within the quota of the amount of direct-consumption sugar that can be brought in from Hawaii and Puerto Rico.

If those provisions were stricken out, there would be no limitation on the amount of refined sugar that could be brought in from those islands within their quota. It would not affect the quota but simply the amount of refined sugar that could be brought in within their quotas.

Now, listen for just a moment. These provisions in the bill would permit the largest amount of direct-consumption sugar or refined sugar to come in from those islands which they ever sent in in any one year prior to the enactment of the original act. The life of this bill is only a little more than 2 years. You Members who are interested—and some of you are vitally so, although it happens I am not interested except in the interest of good legislation—it probably will not make much difference in the amount of sugar that will be brought in in refined form from those islands within that 2 years. Is that not correct?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. McCORMACK. If that is so, why does the gentleman insist on his amendment?

Mr. JONES. I think the gentleman understands that. He is a pretty smart man. [Laughter.] I have a high regard for my friend from Massachusetts, and I do not think he is seeking information altogether, because I think he has it.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. MANSFIELD. Is it not a fact that while it may not materially affect the quantity of sugar coming in, it might affect the laborers who are in the employ of the domestic refiners?

Mr. JONES. If it does not affect the amount of sugar that comes in in refined form, how could it affect labor? Now, if a little more sugar were brought in, it might affect it, and it possibly would affect it. I will state to the gentleman that there is some argument on that basis, but it is not probable, in view of the historical basis of the entry of refined sugar prior to the enactment of the original act, that there is much involved.

Let me say that the position of the administration is this, that it is a matter of principle; that it will not affect much, during the life of this contract, two or two and a half years, the amount of sugar that will be brought in, but they are opposed to the discrimination against any group of American citizens living under the American flag. That is their position, and I want to state that the President has made it clear he is all for the beet growers and the cane growers, and wants them to have legislation. I think that most of you will realize that the great major objectives of this bill will remain the same, insofar as the American producers are concerned, whether these amendments are adopted or not. Then, too, even if my amendment is adopted, industry and labor will have the advantage of the other provision of the bill.

Mr. ROBSION of Kentucky. Mr. Chairman, will the

gentleman yield?

Mr. JONES. I yield for a question.

Mr. ROBSION of Kentucky. The gentleman stated that this question is relatively unimportant and that the administration is against it.

Mr. JONES. Now, let us get it correct. I said it is relatively unimportant as far as the mechanical amount of sugar that is brought in is concerned. The administration regards it important as a matter of principle.

Mr. ROBSION of Kentucky. That is what I am coming to, as affecting the amount of the finished product that

comes into the United States.

Mr. JONES. No; as to the question of writing into a law a discriminatory feature, not that it will have much effect. It is just as though we tried to pass a law saying that the gentleman should not be permitted to go back to Kentucky this month. He might not want to go back, but if we were to pass a resolution that he could not go back, he would not like it.

Mr. ROBSION of Kentucky. Will the gentleman permit me to put my question?

Mr. JONES. Yes.

Mr. ROBSION of Kentucky. If I understood the gentle-

Mr. JONES. Do not argue; ask the question; my time is limited.

Mr. ROBSION of Kentucky. As I understood the gentleman's statement, it was that the amount of sugar which would come in would be relatively unimportant but that the important thing involved is the question of principle.

Mr. JONES. I am stating the administration's position;

this is correct.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. O'MALLEY. Is it not a fact that if the amendment the gentleman offers is adopted the entire production of raw sugar, or the entire quota of raw sugar, could be turned into refined sugar and then brought into continental United States?

Mr. JONES. Theoretically, that would be possible; but considered in the light of the historical background, when we had no limit at all, they did not bring in any more than they would be permitted to under this bill. They probably would not build any great refineries for a 2-year program. That is my frank answer.

Mr. O'MALLEY. The gentleman says it will not affect imports.

Mr. JONES. I say, in my judgment, it will not to any great degree within the time limits of the operation of this bill.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'MALLEY. One further question, if the gentleman will permit. Should the quota be increased, it would permit investment in refineries in the island. Would not this pro-

vide an additional reason for extending the provision for 2 more years?

Mr. JONES. Perhaps; but, as a matter of fact, they can build all the refineries they want to in the islands now.

Mr. O'MALLEY. With this quota taken off, which the gentleman's amendment purports to do, would not the domestic refineries be in the middle of a squeeze play where the island refiners can say to refiners in the continental United States, "You pay our price for raw sugar or we will take advantage of this unlimited quota and refine the sugar and send it into your market"?

Mr. JONES. I do not think they could do that to any

great degree within a 2-year period.

Mr. O'MALLEY. Such things have been done before.
Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. LEWIS of Colorado. Even sitting here in the front row I could not hear the amendment when it was read. I would like to have the amendment read again, Mr. Chairman.

Mr. JONES. I will state it to the gentleman. It strikes

out subdivisions (a) and (b) of section 207.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield for a question?

Mr. JONES. I yield.

Mr. MAVERICK. Does the gentleman believe that these sections with reference to Hawaii and Puerto Rico are constitutional?

Mr. JONES. I think they are constitutional if quota provisions generally are constitutional. I do not think the legal question is materially involved. If we can adopt as a legal proposition quotas in reference to raw sugar, I cannot see why we cannot adopt them in reference to refined sugar.

Mr. MAVERICK. I understand, but that is a specific quota as against Hawaii and Puerto Rico, parts of the United States of America, the only geographical difference between them and the other components of the Union being that

water separates them instead of land.

Mr. JONES. I do not think that question is much more serious in view of all the circumstances than the legal question involved in quotas generally. They are not States. Perhaps we could do as we please. But that is all the more reason why they should not be discriminated against.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. KELLER. If we are to strike out sections (a) and (b), why do we not also strike out section (c)?

Mr. JONES. Section (c) is not important for the reason that they are given a quota of all they ever produced. They produce only about 7,000 or 8,000 tons, and that is not important.

Mr. KELLER. Then why should it be in the bill?

Mr. JONES. I do not care. The gentleman may add that to my amendment if he wants to; that is not a controversial matter.

Mr. KELLER. I am going to try to strike it out.

Mr. JONES. I do not have any objection to that. It would not alter the matter one way or the other.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. LUTHER A. JOHNSON. How do sections (a) and (b) of this bill compare with the Jones-Costigan Act?

Mr. JONES. They are practically the same the way the bill is reported as reported in the original act.

Mr. Chairman, I hope the House will understand that I am presenting the position as best I can in the light of all the circumstances. I think it is but fair for me to read to the House a very brief statement prepared at my request by some of those who have had the responsibility of administering the various features of the Jones-Costigan Act, setting forth their position in the matter.

I believe the House would want to have the courtesy extended to have this read.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, this is only a three-page statement and I think that courtesy, in view of the interest manifested, should be extended to these people;

The first three paragraphs of section 207 of H. R. 7667 discriminate against Puerto Rico, Hawaii, and the Virgin Islands by limiting refining operations in these areas without corresponding restrictions on the other domestic areas of the United States. These provisions are demanded by the seaboard refiners of the mainland in order to limit the amount of competition in the sale of refined sugar. The seaboard refiners are given extraordinary benefits and protection under other provisions of the pending bill, as follows:

(1) Under the quota provisions total supplies are adjusted to consumers' needs which stabilizes the sugar market in the United States, as operations under the Jones-Costigan Act have indicated. Refiners thus obtain at public expense, in legal form and under public safeguards the general market stabilization which they sought unsuccessfully to achieve at their own expense through sought unsuccessfully to achieve at their own expense through control of sugar marketing practices under the Sugar Institute regime of 1928-30, which control was held by the United States Supreme Court in its decision of March 30, 1936, to be in viola-tion of the antitrust laws of the United States.

tion of the antitrust laws of the United States.

(2) For many years refiners have sought to limit importations of liquid sugar into the United States, which, they maintain, replaces their refined product among certain types of consumers (confectionery, baking, etc.). Section 208 of the bill prohibits the importation of liquid sugar from any foreign country except Cuba and the Dominican Republic, which two countries are permitted quotas based on previous years' marketings in the United States, thereby limiting competition of foreign liquid sugar with refiners' products. Section 210 (b) provides in effect that any liquid sugar marketed by the domestic areas shall be included in the sugar quotas, thereby limiting possible competition with seaboard refiners' products of liquid sugar which may be produced in domestic areas.

(3) Under section 207 (e) refiners receive the unusual protection

(3) Under section 207 (e) refiners receive the unusual protection of an outright embargo on any importations of direct-consumption

(3) Under section 207 (e) refiners receive the unusual protection of an outright embargo on any importations of direct-consumption sugar from the principal competing country (Cuba) in excess of 375,000 short tons, raw value, which represents a decrease, as compared with the 1936 quota, of 87,000 short tons of sugar, although the United States Tariff Commission, after official investigation of costs of refining in the United States and Cuba, reported to the President on January 22, 1934, that no change was warranted in the tariff differential between raw and refined sugar.

It should be clearly understood that the foregoing reference to the figure of 375,000 tons of direct-consumption sugar is not to be taken as implying acceptance of that figure. The Department of State maintains that the Cuban direct-consumption quota should not be reduced below a quantity equal to 22 percent of the total Cuban quota.

(4) Under the provisions of the Philippine Independence Act the refiners are protected against importations of refined sugar, duty-free, from the Philippine Islands, where great expansion of refined sugar provided for in the Philippine Independence Act, there is added the provision in the pending bill in section 207 (d) that no more than 80,214 short tons, raw value, of direct-consumption sugar may be brought in from the Philippines in any calendar year, even with payment of full duty.

Under the quota system the seaboard refiners increased their meltings from 4,129,000 tons in 1936. The excess of the American refiners' margin above the world refiners' margin per pound of sugar amounted to over \$20,000,000 in 1936 on the refiners' aggregate deliverles of sugar, an indirect subsidy under quota legislation to the 14 refining companies of \$1,600 for each person employed by them, as against an average wage of \$1,005.

The question at issue is not whether the 14 mainland cane-

tion to the 14 reinning companies of \$1,600 for each person employed by them, as against an average wage of \$1,005.

The question at issue is not whether the 14 mainland canerefining companies, employing approximately 14,000 people, should be protected but whether, after having been granted the foregoing unusual forms of protection against competition in the bill, they should be given this additional protection, which is an outright discrimination against American citizens residing in the Territories and processions of the United States and possessions of the United States

The provisions discriminating against Hawaii, Puerto Rico, and the Virgin Islands in the matter of refined sugar are in complete violation of traditional American policy and of basic American principles.

principles.

First. These discriminatory provisions establish trade barriers within the United States. These provisions establish that a certain part of the Union may not manufacture, may not process, the products of its soil. This discrimination against one part of the Union is established not merely in favor of another part of the Union—in itself an unjustifiable performance. It establishes discriminations against parts of America, inhabited by American citizens, in favor of a few mainland companies already highly privileged by this legislation. As a precedent this kind of discrimina-

tion is unthinkable—and because it was introduced without the administration's approval 3 years ago in the Jones-Costigan bill, in an emergency, is no reason for making it continuing national policy.

May I say to the House that I am not talking about this position of the Department. I may not be able to finish this statement, but I feel it is fair to state it in the interest of the people who are concerned about this matter. I know some of you represent certain areas, and you, as a matter of policy, may have to vote against these amendments; but those who do not represent such districts, I believe, as man to man, you will be doing the great beet and cane producers of America a favor, not on the merits of the proposition, but in the interest of securing major legislation.

[Here the gavel fell.]

Mr. CRAWFORD. The gentleman should be permitted to finish reading this statement. It is very important and is a very vital part of this bill. He should have additional time to answer three or four questions, and I therefore ask unanimous consent that he may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JONES. Mr. Chairman, continuing this statement:

Second, these discriminations are contrary to the spirit of American institutions. They are contrary to contemporary American policy by establishing an Old World colonialism in America. The essence of Old World colonialism, the colonialism against which the Thirteen Colonies rebelled when they declared their independence from Great Britain, and against which the Spanish colonies rebelled when they broke away from Spain, was the right of the mother country to exploit those colonies, to consider their citizens as occupying a secondary and inferior status and to place economic obstacles in their path, in favor of commercial interests in the mother country. This is still the practice among Old World empires, though to a more limited extent than it was a century and a half ago—because colonies cannot be exploited as World empires, though to a more limited extent than it was a century and a half ago—because colonies cannot be exploited as ruthlessly now as then. However, it is self-evident that sound statesmanship in the United States cannot recognize, cannot permit, the establishment of such a continuing policy with us. It has been part of our historic process that territories represented an earlier stage of political development, and that during that period of development their lack of voting strength in the Congress was not to be taken advantage of to penalize them, but on the contrary should entitle them to the fullest protection from the entire Congress. Because Hawaii and Puerto Rico have no vote in the Congress is not only not a reason for discriminating against their products and imposing restrictions upon them against their products and imposing restrictions upon them against which they cannot retaliate, but it is a valid reason for insuring them protection at the hands of the entire Congress. The Congress itself is looked to by American citizens in Hawaii, Puerto Rico, and the Virgin Islands to insure them equal

Mr. CRAWFORD. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In view of the announcement made by the floor leader a few moments ago, and the gentleman's statement, as I understood it, to the effect he is directly informed the President will veto this bill if these amendments are not agreed to, may I ask the gentleman, if the bill is vetoed and the Congress adjourns in the meantime. will there be any sugar legislation during this term of Congress?

Mr. JONES. The gentleman has asked two or three questions in one. I have not quoted the President. I do not undertake to quote Presidents. I do know from conversations that the President has taken a very firm stand on this matter, and I believe in all fairness if sugar legislation is desired this is about the only way to get it. Furthermore, if this bill should be passed in its present form and vetoed, I would like to call the attention of the friends of this legislation to the fact that the Congress has been very generous to the people who produce beets and sugarcane. There are a great many more consumers in this country than there are producers of sugar beets and sugarcane, and the Congress has been fair enough to go along on a great program that has done much, I believe you will all agree, for the sugar industry of America. There is much that may be done by the major provisions of this bill. Just as an open proposition, I do not think the people who are vitally interested could very well expect, in the event there should be

passage of the bill in its present form and it should not be approved, the people who are not interested to still go along and undertake to pass it, notwithstanding that you are not willing to be reasonable enough to recognize the realities of the situation and, in order to accomplish a great purpose, be willing to make a little sacrifice. [Applause.]

Mr. KENNEY. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from New Jersey. Mr. KENNEY. If these amendments are voted down, then the islands would have the right to send to continental United States something like 600,000 short tons of refined

Mr. JONES. They would have the right, but probably under the physical conditions existing would not exercise the privilege.

Mr. KENNEY. But they would have that right?

Mr. JONES. They could not exercise the privilege, I may

[Here the gavel fell.]

Mr. KLEBERG. Mr. Chairman, I rise in opposition to the

Mr. Chairman, this is the first time I have found myself so directly opposed to my long-time and distinguished friend, the chairman of the House Committee on Agriculture, as to be moved to take the floor in opposition to the very fine statement he made, but a statement which, in my opinion, carried only one side of the picture. I do not blame him for his oversight. No man as busy as he has been in the last several months could be charged with such a little thing as probably overlooking a very significant and important bet. It is a very peculiar thing to find him, after having gone through the hearings along with other members of the committee, overlooking the significant fact that the House Committee on Agriculture has as its members a group of gentlemen whom I believe, like the distinguished chairman, desire to preserve every principle of fairness and justice that is due to him or to any other American citizen.

Mr. Chairman, when the statement is made that there is discrimination and that we are treating citizens under the American flag unfairly by this particular provision of the bill that is sought to be stricken out, I invite the attention of the members of the committee to the provisions of the entire bill. The State of Texas, the State of New York, and the State of Massachusetts at one time produced sugar beets and

Texas produced sugarcane.

Under this bill and under the quota applied, States which at one time were able to indulge in that particular line of industrial endeavor are completely shut out from the so-called business of producing. The point I am trying to make is that the committee heard every single reason advanced today in the gentleman's argument and heard extensions of these reasons in the testimony before the committee, yet notwithstanding that, the entire committee, composed of men who, I repeat, are as fair and desire to be just as patriotic and law abiding as any group anywhere else, came to a decision, with the exception of one man who did not vote on the bill, that the provisions of this bill were O. K., including the two paragraphs which are the subject of the pending amendment.

Mr. Chairman, if these provisions are discriminatory as between citizens under the same flag, I challenge any man to stand up before this group in this great emergency and say the quota bill as written, from beginning to end, with these provisions knocked out, is not equally discriminatory. No man can apply the argument to one particular section because of administrative desire to have anything accomplished without being willing to look the facts and the figures in the face and recognize that the committee applied the quota system to the industry as it was at that time, limited it with proper adjustments, after due, careful, and deliberate consideration, and brought out the bill which this body is now considering. No committee working as we had to work would be able to bring out a perfect bill. I doubt if such an instrument has ever been passed. But when we come down to the issue involved today, whether to strike out provisions which do nothing more than freeze the refined

sugar importations from Hawaii and Puerto Rico to the amount represented by their absolute peak of exportations of refined sugar to the United States, and then look at the other provisions and their effect on certain other States of the Union under the same flag, it does not seem to me we can be practical or consistent and still claim we are treating Puerto Rico and Hawaii with discrimination.

Mr. BUCK. Mr. Chairman, will the gentleman yield? Mr. KLEBERG. Yes; I am pleased to yield to the gentleman from California.

Mr. BUCK. Is it not a fact that owing to the quota limitations we have put on the imports of raw sugar, the continental refiners are limited much more than the refiners in Hawaii and Puerto Rico?

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional

Mr. CRAWFORD. Mr. Chairman, I reserve the right to object.

Mr. KLEBERG. I shall repeat the question so the gentleman will hear it.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KLEBERG. My distinguished friend the gentleman from California [Mr. Buck] has just asked me whether or not in my opinion it is not true that the provisions of the quota restrict American refiners to a greater degree than the restrictive provisions complained of affect the refiners of Puerto Rico and Hawaii. I may say without any hesitation that that is perfectly patent on the face of the statement I have just made. The refiners on the continent are restricted, by reason of restrictions on the continental sugar producers of both cane and beet sugar, including not only the cane-sugar refiners but the processors of beets, to the limitation in this bill, which provides an opportunity for the law of supply and demand to function for the benefit of not only the producers but the consumers and the market to which the producers of raw materials must go.

Mr. Chairman, I hold that my distinguished friend overlooked this proposition when he made the statement that if we adopt this apparently innocuous amendment no damage will be done. I hold, Mr. Chairman, that whenever a great deliberative body like the Congress of the United States adopts an amendment such as the one now presented, and accepts without going more into detail the statement that there is no injury caused to a great industry thereby, a great offense is committed. I hold that no man who will take his pencil and paper and figure out the facts and go back to the historical record of this industry can say that the producers of cane sugar in the United States are not injured when their market has its throat cut. Whenever you destroy the market to which producers must go, you have done them an

Mr. LANZETTA. Mr. Chairman, will the gentleman yield? Mr. KLEBERG. I am pleased to yield to the gentleman from New York.

Mr. LANZETTA. Is it not a fact that quotas were established with respect to areas which were then producing beet and cane sugar?

Mr. KLEBERG. And refining, too. Mr. LANZETTA. With respect to the raw sugar, the burden was placed equally on the shoulders of every American citizen in the producing areas where sugar was then under production.

Mr. KLEBERG. Except in the case of Puerto Rico and Hawaii.

Mr. LANZETTA. Is it not a fact that in the case of Puerto Rico and Hawaii quotas were fixed on the basis of the amount of sugar produced for a number of years past?

Mr. KLEBERG. Yes.

Mr. LANZETTA. Is it not a fact that the quotas of the continental beet and sugarcane growers were fixed in a similar way?

Mr. KLEBERG. Yes.

Mr. LANZETTA. Then, where is the discrimination? Mr. KLEBERG. There is no discrimination because we find the industry processing sugar and the industry producing sugar are essential one to the other. The same principle applies to the production of the industrial product as applies to the case of reduction and curtailment in the production of the agricultural product.

Mr. LANZETTA. Then, there is no discrimination insofar as the beet or raw cane sugar is concerned.

Mr. KLEBERG. No; that is is not correct.
Mr. LANZETTA. The gentleman agrees with me that the quotas were fixed for all areas which were then producing raw sugar.

Mr. KLEBERG. That is correct.

Mr. LANZETTA. And if the burden is placed equally upon all of these areas, then there is no discrimination.

Mr. KLEBERG. There is equal discrimination, none the less, to everybody under this bill, but the discrimination is indulged in in order to arrive at a solution of a practical, economic problem, and until the Congress and this Committee understand that the purpose or objective of this bill is to accomplish such a solution of a problem which threatens the successful economic continuance of the sugar industry in continental United States, as well as in the islands, we will never properly join issue on the question.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. KLEBERG. Yes; if I can get just a little extra time, because I have not finished the point I want to make.

Mr. CRAWFORD. Do I understand the gentleman to say, as a member of the committee, that this bill will not permit the building of a sugar plant in Texas so they may refine beet sugar in Texas?

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KLEBERG. I will answer the gentleman in this way. Mr. CRAWFORD. The reason I ask the gentleman the question is because of his remarks appearing at page 8320 of the RECORD, which the gentleman has repeated here. want to find out whether, in the gentleman's opinion, this bill prohibits the building of a new beet-sugar mill in the State of Texas for the purpose of refining sugar.

Mr. KLEBERG. The question answers itself, because the State of Texas cannot go into the production of sugar beets

under this bill.

Mr. CRAWFORD. How are the other Western States building mills and bringing them into production under such legislation?

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. JONES. I know the gentleman wants to be thoroughly accurate on that statement, and I think if he will read section 205 (a) of the proposed act he will find that there is provision for expansion of other new areas where it can be shown there is reason for such expansion.

Mr. KLEBERG. And that provision would apply equally to Puerto Rico and the Hawaiian Islands. They and Texas would have to show causes before they can expand.

Mr. JONES. That is right.

Mr. KLEBERG. The point I am making is that there is no discrimination in the bill between the continental area divided into States and the insular areas described as offshore possessions or territories.

Mr. CRAWFORD. Mr. Chairman, will the gentleman vield?

Mr. KLEBERG. Permit me to conclude this statement. The fact is that the issue hinges on two questions which the House must decide. First of all, whether we are going to continue the emergency provision set up under the Jones-Costigan Act, based on the same principle as the underlying principle of this proposed legislation, and pass this bill as written, or are we going to say that because of certain readjustments made necessary by application of these principles to the processing end of sugar, in some instances, we cannot be fair to the principles establishing quota-restricted production in continental United States when we do not recognize the importance of protecting the market for the producers of those States.

The other question we are going to have to decide is one that comes right straight home to us. As a member of the legislative committee I did my dead-level best to be impartial, to be fair, to be attentive, and to do the very best thinking of which I am capable in deciding upon the final vote on this measure. The legislative committee of which I am a member has decided upon the bill you now have before you, and they have backed it. We now come before the Committee of the Whole House and we find three departments of the administrative branch of the Government, backed by the President, have come to a different opinion with reference to a function which is essentially a part of the duties of this great body. If, because of the pressure that comes from that source, there is a failure to consider that the provisions of this bill represent the dead-level best of the committee to be fair, based on the historical data of the industry from its beginning, and if we decide, against our best judgment and duty, that because we are told that despite our best judgment this bill will be vetoed, with full knowledge of the fact that such veto power exists, I hold, Mr. Chairman, that we have come to a sad day.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. McCORMACK. We had a similar situation with respect to the veterans' bonus and the House proceeded and

Mr. KLEBERG. Of course, I did not want to refer to historical matters, but I do want to call attention to the pertinency of that issue here.

Mr. Chairman, in conclusion I repeat that never have I faced a more solemn or difficult task when I find myself opposed to my loved, distinguished, and trusted friend the gentleman from Texas [Mr. Jones], who has presented this amendment here-and I make this statement, and if it is challenged, it is all right-because of the fact that he is a Democrat and because of the fact he felt prompted to do this out of courtesy for the departments that have objected to the provisions contained in the bill, and I repeat that as members of the committee and of the House, the question we must decide is whether or not the work done by the committee is going to be disregarded to sustain this amendment, which strikes down the deliberate judgment of your legislative committee and substitutes therefor the desire of Government departments.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word. I rise to express my views on this sugar question.

The average per-capita consumption of sugar in 1900 in the United States was about 70 pounds. It is now estimated that the per-capita consumption is more than 103 pounds a year.

As I gather from statistical sources, about 20 percent of the sugar required by the consumers of the United States is grown in our own country; 40 percent of our domestic needs is obtained from Hawaii, Puerto Rico, and the Philippine Islands; the other 40 percent is imported from foreign countries, chiefly from Cuba.

The area in the United States that can be successfully utilized for cane-sugar production is limited by rainfall, soil, and temperature. The portion of the United States that meets these requirements is the Gulf Coast Plain. There are factors, however, that place this region under a competitive handicap with Puerto Rico, Cuba, Hawaii, and the Philippine Islands, The handicaps are annual frosts and the higher cost of labor.

It is quite different with beet-sugar production. This crop can be grown under a wide variety of climatic and soil conditions. If the problem of beet-sugar production were to be

approached from a statesmanlike point of view, vast areas could be opened up to the production of sugar beets. Instead of importing 80 percent of our sugar, the farmers of the United States might profit tremendously by supplying the ever-increasing per-capita demand for sugar.

Now as to the refining process. The cane sugar comes from the mill as raw sugar, and has to be refined. This business is so vast that the refinery must be located near the great commercial gateways of the consuming regions. The magnitude of this industry is shown by the daily capacity of one of the largest refineries which produces daily more than 4,000,000 pounds of sugar. I believe the reports show that the American Sugar Refining Co. produces in excess of 50,000 carloads annually. These great refineries are located principally near Boston, Brooklyn, Philadelphia, New Orleans, and San Francisco.

Now, with sugar-beet refining the facts are different. The average acre of beet land yields 9 to 11 tons of roots, from which 13 to 18 percent, by weight, is recovered in the form of sugar. The bulk of water and cellulose does not warrant shipment long distances to refineries; therefore, beet-sugar factories are located close to the point of production. This very fact tends to furnish pay rolls to the communities near the sugar-beet farms. The farmer benefits from the price he receives for the beets, and from the pay rolls of the factories located in close proximity to the farms.

I can see no sound reason why millions of acres should be taken out of production of paying crops to furnish a market for foreign sugar producers. As we displace our acres by the importation of farm crops we force the American farmer to engage in the production of crops of which there is already a surplus. This ruins his domestic market price, which results in poverty, distress, and unrest among our farmers.

The domestic market for farm products belongs to the American farmer, and until it is fully restored to him there can be no sustained prosperity for him.

I call attention to another fact, Mr. Chairman. Something has been said about the consumer and what it means to him to buy in the cheapest market. Just so long as we are dependent on foreign countries for the major part of a necessity such as sugar, when a crisis comes, and we need that product, then we will pay the price, as we did during the war. Every country in the world is trying by bonuses and subvention to produce sugar. We have the area here, the farmers can produce it, and there is no reason why we should take from the American farmer this opportunity to prosper in the raising of beet sugar. [Applause.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro-forma amendment, and ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I stated yesterday, and I repeat today, that I represent a district in which there are no farms. I represent a district similar to districts that many Members of this House represent coming from large urban areas. As my friend from Texas [Mr. Jones] was talking about this amendment, he impressed me that his heart is not in the amendment that he has offered. He admitted that there were two sides to the question. We all know that. When my friend from Texas [Mr. Jones] was talking I know that he had in mind the fact that when he had his hard fights in the past putting through agricultural legislation it was Members like myself who rallied to his support. When my friend from Texas [Mr. RAYBURN], the majority leader, was also having his hard fights, and I know if he speaks on this amendment he will be conscious of the fact, he will remember that it was Members like myself from the industrial districts who were going down the line with him, helping his people, upon the theory that when we were passing legislation to improve the lot of an economically adversely affected group of our citizens we were doing something that inured to the general welfare. I am going to ask Members from other sections of the country to remember that we from the industrial East have helped them in many a close fought battle in this House. Only the other day the Gila Dam was up, and if you will look over the roll call you will find that the Members from the industrial East helped the West in that fight. A few days ago another dam was under consideration, and look over the roll call and you will find that the Members from the New York, New England, Pennsylvania, and other industrial sections were going down the line for our western friends.

Now, an attempt is being made to divide the farmer and the worker of the industrial area in their common interests in this bill. That will be the result of this amendment if it is adopted. My friend from Texas [Mr. Jones] knows that. The effort is being made to divide the common interest that exists between the farmers of the country and the consumer and refinery workers of the country; the Representatives in this body of the producers of the country and the Representatives in this body of the refiners and the employees of the refiners of the country. My friend from Texas [Mr. JONES]—and I say this impersonally—made a very ingenious argument. Oh, how vulnerable it would be to criticism if we did not know in our own minds that the gentleman is a soldier, and we respect and admire him for being the soldier that he is, and the soldier that the majority leader, if he speaks on this amendment, will be. It is not the heart that is behind their position; but they are soldiers, and on this occasion they are only doing the work of a soldier. The gentleman from Texas said that "the friend of this legislation, if wise, will agree to the amendments." I wonder what he means by that. Have I not been a friend of agriculture? I voted for the last farm bill. I took the floor for the cotton-control bill when it was in peril, and it passed by only six or seven votes. I voted for the potato-control bill of my friend from North Carolina [Mr. Warren]. As I say, I took the floor on the cotton-control bill. I assumed then that it would do good for that form of agriculture. They asked me if I would take the floor, and I did. The bill, as I remember, passed by six or seven votes.

The gentleman says that certain Members, if they are wise will agree to the amendment. That argument falls to the ground, because the Representatives of the industrial districts have indisputably shown by their votes and voice that they are also the friends of agriculture. But in this bill today it is not only agriculture that is interested; it is the workers of the refineries, 16,000, approximately, throughout the country, on a 60 percent working basis, and if conditions improve. and if the demands are greater than under present conditions, opportunities of employment will increase. Indirectly many thousands of others are dependent upon this industry. In the city of Boston alone the industry spends \$37,000,000 in wages and for supplies, materials, taxes, and other activities, and that all inures to the purchasing power of that section. New York, Pennsylvania, Michigan, Louisiana, California, and other States have refineries, and their problems are the same as my problem.

The argument of discrimination is raised. After the passage of the Jones-Costigan bill Hawaii contested the act and brought proceedings in the Supreme Court of the District of Columbia. Mr. Justice Bailey said:

Complainants have failed to show any discrimination against them. Hawaii was, in fact, required to curtail its production less than any other area.

Again, the Justice said:

Congress has the right to limit the importation of sugar from Hawaii, and that limitation in no way deprives plaintiff of property without due process of law.

My friend from Texas [Mr. Jones] says that if this bill is passed refined sugar imports from Hawaii and Puerto Rico will not increase; that it will not disturb the present situation during the life of the bill. If that is so, why should we adopt the amendment? What is the necessity for adopting the amendment?

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TAYLOR of Tennessee. Was not the admission made before the Rules Committee by the friends of those who would eliminate these two subsections, that if they were eliminated the industry in Hawaii would expand?

Mr. McCORMACK. That is my recollection.

If refined sugar from Hawaii and Puerto Rico will not increase, what is the necessity to have this amendment adopted? The present bill proposes to simply continue with reference to refining that which exists under the Jones-Costigan Act. We are dealing with a practical situation. We are not dealing with a theoretical matter. It must be viewed in a practical way.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. KING. It does not say, however, how much sugar we refined at the Atlantic seaboard. Does the gentleman know how much Hawaiian sugar is refined at Boston, in the district that the gentleman represents?

Mr. McCORMACK. If the gentleman wants to put it in

the RECORD it is all right.

Mr. KING. I have the figures. In the port of Boston it is an average of 29,000 each year, which should not displace 10 men.

Mr. O'MALLEY. Mr. Chairman, will the gentleman vield?

Mr. McCORMACK. I yield.

Mr. O'MALLEY. Does not the gentleman suspect that the real reason for the proposed adoption of this amendment is to give Hawaiian producers another angle from which they can obtain a greater price for their raw sugar, by threatening to send in more refined sugar if they do not get a sufficient price for the raw sugar?

The CHAIRMAN. The time of the gentleman from Mas-

sachusetts [Mr. McCormack] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent that the gentleman may have 10 additional minutes.

The CHAIRMAN. The gentleman has already received 5 additional minutes.

Mr. McCORMACK. I think the gentleman's question answers itself. It is entitled to that inference.

Mr. O'MALLEY. Even if they do not use it, they have a blackjack in their hands against the American refineries. Mr. CRAWFORD. Mr. Chairman, will the gentleman vield?

Mr. McCORMACK. I yield. Mr. CRAWFORD. In view of the interest which the gentleman has taken in this bill and the people whom the gentleman represents and for whom he speaks so ably, I want to ask the gentleman this very vital question: Is the gentleman in position to say, officially for the refining industry-

Mr. McCORMACK. I am talking for the workers of the refiners. Please get that correct.

Mr. CRAWFORD. I thought this was a refiners' proposition.

Mr. McCORMACK. I am talking for the workers of the refiners. I am fighting to protect their best interests.

Mr. CRAWFORD. Is the gentleman in a position to say for the people he represents and in whose interest he is now speaking-

Mr. McCORMACK. The workers of the refiners. Mr. CRAWFORD. That hereafter they will insist and stand by protection for the domestic beet-sugar and canesugar industry, which they have eternally fought heretofore? You are speaking of the seacoast refiners, as stated in your message yesterday.

Mr. McCORMACK. Now the gentleman is going pretty

far afield.

Mr. CRAWFORD. I want to know where you stand on this.

Mr. McCORMACK. Oh, where I stand? Let me tell you where I stand on this. I would vote for an amendment that would bring about the maximum productive abilities of continental America and its possessions, after the termination of the reciprocal trade agreement with Cuba.

Mr. CRAWFORD. But will the refiners for whom the gentleman speaks-

Mr. McCORMACK. I am speaking for myself.
Mr. CRAWFORD. The gentleman is not representing the

Mr. McCORMACK. I have told the gentleman several times that I am speaking for the workers employed in the

As far as I am concerned, I think that the producers of America should be permitted to produce to their maximum capacity. [Applause.] I do not believe we should have crop control of beets and sugarcane for the benefit of some other country-and I refer to Cuba. I realize the practical situation that confronts us in the matter of the reciprocal trade agreement, but there should be no crop control in agriculture unless we have a surplus, and in the case of sugar we have an underproduction, a production incapable of meeting the consumptive demands of our people. Under those circumstances we should utilize to the maximum extent the productive capacity of the growers of the United States.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MOTT. Does the gentleman think that will ever be brought about as long as the reciprocal trade agreement is

Mr. McCORMACK. No; I said after the termination of the reciprocal trade agreement. I think that is the practical situation that confronts us.

Mr. MOTT. Is the gentleman in favor of the repeal of the Reciprocal Trade Agreement Act?

Mr. McCORMACK. No; and I am consistent in my posi-

Mr. Chairman, will the gentleman yield? Mr. KING.

Mr. McCORMACK. No; I have but a minute remaining.

Mr. KING. The gentleman mentioned my name two or three times in the course of his remarks.

Mr. McCORMACK. I dislike not to yield to anyone, even where it is at my own expense; even though I have never knowingly asked any gentleman to yield when he had only a minute remaining, yet I yield.

Mr. KING. Does the gentleman realize that the refinery in Boston, Mass., in his district, gets 90 percent of its raw sugar from a plantation in Cuba producing sugar under un-American conditions? We in Hawaii produce sugar on the American basis and pay American wages. [Applause.]

Mr. McCORMACK. What the gentleman says if true does not change my position, and it is not inconsistent with the position that I take today. If what has been stated on the floor is true, that there will be no increase of refined sugar from Hawaii and Puerto Rico, why does my friend want to have the increase? We are considering a practical bill. Those islands want to bring in all their quota in refined sugar when it has been stated, and not denied, that they do not intend to exercise the power.

Mr. KING. Does the gentleman want an answer to his question?

Mr. McCORMACK. In view of the few remaining moments that I have I suggest that the gentleman answer that in his own time. We are considering a practical matter today; not a theoretical one. We are, as we should, considering the whole matter from a practical angle. We have got to apply the rules of practical justice to all interested parties and at the same time have a regard for the consumer.

They talk about discrimination. Who is going to suffer if this bill goes through? Certainly not those employed in Hawaii and Puerto Rico, for under the present law they are now receiving approximately \$100,000,000 a year more on the sale of their sugar to us than they would if they sold it in the world markets. Their present invested capital and their workers will not suffer. The only ones who will suffer if this amendment is adopted will be the refineries, through the destruction of their capital investment, and through the throwing out of work of thousands of citizens of the continental United States. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I move to strike out the last three words

Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, let us keep clearly in mind the real issue that is involved in this discussion. The issue is not protection, because the findings of the Tariff Commission under two administrations have been to the effect that there is no difference in the cost of production for refining in the Tropics and in the continental United States. The issue is not labor because in all these refineries in the United States less than 14,000 people are employed and they receive an annual wage averaging about \$1,005. If all the refined sugar which might be permitted to come into this country under this amendment came in-and it will not nearly all come in-I can assure the members of this committee of that-it could not possibly displace more than one-third of these workers, because it would be less than one-third of what these refineries are refining at this time. This is the extent of the labor issue.

The issue involved, is not the issue of protection for the domestic producer of cane and beets, because, as I pointed out yesterday, the refiners who are opposing this amendment have for 40 years done everything they could to destroy the domestic beet-producing industry in this country. [Applause.] I cannot understand why those who are speaking for the domestic beet-sugar industry should allow themselves to be made the tools of the refiners as is the case today.

Mr. CUMMINGS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Very briefly, for a question.

Mr. CUMMINGS. The gentleman asked a question, I wish to answer it. We are supporting it because they have repented and want to come into the fold. They should be allowed to do so.

Mr. HOPE. I am suspicious of death-bed repentances. All these refiners are doing is hitch-hiking on a bill for the relief of the domestic producing industry.

Mr. CRAWFORD. Mr. Chairman, will the gentleman

vield?

Mr. HOPE. Briefly, yes. Mr. CRAWFORD. As a matter of fact, would these refiners be willing to stand for the protection of the continental beet- and cane-sugar industry?

Mr. HOPE. No; their record for 40 years indicates they will not stand for that. They fought it continuously during all that time.

The issue today is simply whether you are going to permit this Congress to record itself as saying we should set up restrictions against one area in this country which do not apply to another area. If we can do that, as far as refined sugar in Hawaii is concerned, we can do it as far as processing cotton in Georgia or Alabama is concerned. We can do it as far as the manufacture of shoes in Kansas is concerned. We can do it as far as any area in the United States is concerned which has not developed its industrial capacity. That is the big, vital issue that is before the House today. It is a question as to whether we are going to treat our citizens in Hawaii and Puerto Rico just the same as we treat the citizens of Massachusetts and Kansas.

In the year 1887, 18 of the 21 sugar refiners of this country got together and organized what has since been known as the Sugar Trust. The Sugar Trust has been in continuous conflict with the laws of this country ever since. It has been a persistent violator of the antitrust laws. It has been during all its history, and still is, a monopoly today at heart. That is the reason the companies comprising the Sugar Trust are opposing competition from any other area.

Only a little over a year ago the Supreme Court of the United States rendered a decision affirming the action of the United States District Court for the Southern District of New York in restraining the Sugar Institute, which is the modern version of the Sugar Trust, from 45 separate practices in violation of the antitrust laws of this country. The Supreme Court modified the decision to the extent that it held 3 of the stated practices were not in violation of the antitrust laws, but as to 42 of them the decision was affirmed.

Mr. Chairman, I think it is a rather healthy thing in this country to have a little competition in the cane-sugar refining business. All the competition we have in that industry today comes from the small amount of sugar that is refined in Puerto Rico, Hawaii, and what we permit to come in under this bill from Cuba and the Philippines. Is it not about time that these 13 great sugar companies which comprise the Sugar Institute, and which refine approximately 66 percent of all the sugar refined in this country, have a little competition? That is the reason these refiners are fighting this amendment today. They are monopolists at heart. They always have been, and they want to continue to be a monopoly.

The issue has been raised here as to what will happen to this bill if we pass it. I do not care to discuss that question particularly, but everybody knows if we pass the bill in its present form it is going to be vetoed. I wonder how many Representatives of the beet-producing sections want to go back to their beet farmers and tell them they voted for a bill that they knew was going to be vetoed because the Sugar Trust refiners wanted them to do so. That is the only answer you can make.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman know of any greater blessing that could come to the seacoast refiners than to have this bill killed completely, so that they could buy their sugar for 60 cents, 70 cents, or \$1.25 a hundred and have a small cost with a high refining margin?

Mr. HOPE. I think that would be in line with their previous practices.

Mrs. ROGERS of Massachusetts. Will the gentleman

Mr. HOPE. I yield to the gentlewoman from Massachu-

Mrs. ROGERS of Massachusetts. Does it seem fair to the gentleman to punish the workers because he does not like the activities of the manufacturers? We in New England and of the New England delegation feel very strongly that our workers should be protected. We have lost many industries. I wonder if the gentleman realizes how much we have suffered in the State of Massachusetts?

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mrs. ROGERS of Massachusetts. The gentleman spoke of a deathbed repentance. Does the gentleman admit, in making that statement, that it is the death of the refining industry, as the workers seem to feel?

Mr. HOPE. No. I have already stated that labor in this matter is not a consequential issue. It is not an issue in this proposition at all, because sugar refining is perhaps the most highly mechanized industry in the country.

I understand that some of my Democratic friends feel some resentment because the administration has rather emphatically stated its viewpoint and position in this matter, but it seems to me the issue is clear. It is either vote with the administration or the Sugar Trust. Certainly any Member of the majority party would rather have the administration tell him how to vote than to have the Sugar Trust do so. If the vote on this question today discloses that the Sugar Trust is a more potent factor in the Democratic Party than the administration, then these are indeed strange times. May I say to my Republican friends, while they may take some pleasure in voting against the administration, I hope when they do so they will do it in a more worthy cause.

Mr. MICHENER. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. MICHENER. Does the gentleman know that the Beet Growers' Association and the representatives of the beet growers of our country are here today urging the Members from those sections to vote for this bill without amendment? That is the beet growers themselves.

Mr. MAVERICK. Is it not a fact they are dominated by the Sugar Trust itself?

Mr. CUMMINGS. That is not true.

The regular order was demanded.

Mr. HOPE. In answer to the gentleman from Michigan and the gentleman from Texas, let me cite another instance of the activities of the companies comprising this notorious Sugar Trust. They have gone out in the beet-producing areas and have bought large interests in the beet refineries. They own 26 percent of the stock in the Michigan Sugar The American Sugar Refining Co. has a large stock interest in the Great Western Sugar Co. I am told it is a stockholder in a number of other sugar-beet refineries. This is a further effort they are making to dominate the industry. I think you will find that is where the influence comes from which the gentleman from Michigan states is urging Members from sugar-beet sections to support this legislation. These refiners are simply too smart for both the representatives of beet producers and representatives of labor. They are using both as cat's-paws. [Applause.]

[Here the gavel fell.]

Mr. CUMMINGS. Mr. Chairman, this is the first time in the five sessions of Congress in which I have served that I have ever opposed an amendment offered by the gentleman from Texas [Mr. Jones]. May I say with reference both to the gentleman from Texas [Mr. Jones] and the gentleman who has just spoken, the gentleman from Kansas [Mr. HOPE], that if there is any change in administration at the next election I hope one or the other of these gentlemen will be the Secretary of Agriculture, and I mean it? [Applause.]

The gentleman from Kansas is very weak in his mathematics. May I read some figures from the Government report regarding wages paid in Hawaii. It is shown that the wage paid on the sugar plantations in Hawaii is \$10.92 a week. The gentleman stated that the annual wage paid by the refiners is \$1,090, and I am accepting the challenge.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. No.

Mr. KING. The gentleman is talking about me.

Mr. CUMMINGS. The gentleman talked three times yes-

Mr. KING. The gentleman is referring to field labor.

The CHAIRMAN. The gentleman declines to yield. Mr. CUMMINGS. The wage paid is \$10.92 a week. Multiply that by 50 and you get \$546 in Hawaii and \$1,090 in the United States, accepting the gentleman's figures as true. What wages are paid in other institutions in Hawaii? On the pineapple plantations, \$13.50. In the canneries, \$13.44. In building enterprises, \$25.10 a week. Railroads, \$24.95 a week. Longshore labor, \$25.27 a week. Tin-can manufacturing, \$22.38 a week. You have a very decent wage in all the industries until you hit sugar.

What is the truth about the cost of sugar? Somebody has said that the people have been very kind to the beet growers so far as the price of sugar is concerned. I have here a table prepared by the United States Department of Labor as of June 8, and it shows the index numbers of retail costs of food by commodity groups from 1929 to 1937, and shows all of the foods running, with 100 as a base, at 102, 122, 102, 102, and 110, but sugar has varied only from 66 to 72, and the last 2 years it has been 66, 66, and 65 on the base of 100; in other words, the cheapest food you eat.

People do not realize just how cheap sugar is. I have a table here prepared by the Secretary of Labor covering

April 1937, and it shows the average price paid for food in 51 of the largest cities.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. No; I decline to yield now. I want to call attention to the value of sugar as compared with other commodities, and then I shall yield if I have time.

Sugar was worth 5 cents a pound then; butter was worth 81/3 cents a pound, and you were paying 39.7 cents a pound for it. Bacon was worth 63/3 cents per pound, and you were paying 39.9 cents per pound. You pay 45 cents here. When sugar was worth 5 cents a pound, lamb was worth 3% cents, and you were paying 301/2 cents. When sugar was worth 5 cents, sirloin beef was worth 21/2 cents, and you were paying 411/2 cents per pound. When sugar was worth 5 cents a pound, a can of peas was worth thirteen-twentieths of a cent, and you were paying 16.3 cents per can. A can of tomatoes was worth one-fourth of a cent, and you were paying 9.4 cents per can.

Now I yield to the gentleman from Illinois.

Mr. KELLER. I want to know what the wages of the workers in the beet fields of Colorado are as compared with the wages of the workers in Hawaii. I should also like to know what relation there is between the two, so far as this bill is concerned. Why should we bring up the matter of wages paid in one place or another? What effect does it have on this bill.

Mr. CUMMINGS. I contend that they are simply asking the privilege of refining the sugar in Hawaii because they can refine it with cheap labor and make more money and beat people who live on the continent out of a job.

Mr. KELLER. Does the gentleman believe it is just to deny to the people we took under our flag the same privilege the gentleman and I have?

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. Mr. Chairman, certain remarks have been made here to the effect that those who oppose this amendment are representing the refiners of this Nation. May I say right now that I have not a single refinery in my district and I have not a single solitary beet in my district. I am looking at this from the standpoint of a neutral party. I came to this Congress as a champion of labor and I intend to stay as a champion of labor. I do not like the insinuations of any man who does not know what he is talking about when he states that all those who are opposing this are representatives of the refineries. Does the gentleman know that the Brotherhood of Railroad Trainmen has endorsed the bill as it came from the committee? Does the gentleman know that the president of the American Federation of Labor endorsed this bill as it came from the committee? Does the gentleman know that there are 94,000 cars used to haul refined sugar on the railroads of the United States because of the refineries? Does he know they have spent \$10,000,000 with the railroads and that \$4,300,000 of that amount goes to pay labor? Does he know that at one time there were 25,000 men working in the refinery business and because of the importation of refined sugar that number has been cut down to 16,000 and they are attempting to wipe it out?

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. HOPE. Does not the gentleman think it would take just as many cars to haul that sugar in the United States whether it was refined in Puerto Rico or at Edgewater, N. J.?

Mr. HOOK, No. Mr. HOPE. Why not?

Mr. HOOK. For the simple reason that these cars are brought to your refineries and the sugar, if brought in, would probably be brought into New Orleans and shipped up the river by boat, and if it was in a refined state it would then be shipped by water most of the way; but when they have to bring it over here and put it in a factory, it has to be refined and then shipped out of the factory again.

Mr. HOPE. Is there any difference? Is there not just as much likelihood of refined sugar going by rail as raw sugar, or vice versa?

Mr. HOOK. They could bring it in direct by water and then stop.

Mr. HOPE. The gentleman does not believe that every community in the United States has water transportation?

Mr. HOOK. In other words, they could land it at the ports where there would be no rail hauls.

Mr. HOPE. Are not all the refineries located along the seacoast?

Mr. HOOK. No; not all of them.

Mr. HOPE. Will the gentleman tell me where there is a cane refinery that is not located along the seaboard?

Mr. HOOK. They are not all located at harbors.

Mr. HOPE. I would like the gentleman to inform me of one that is not located along the seaboard.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. BUCK. Regardless of the situation with respect to our seacoast, if, as we anticipate, the beet-sugar refineries were put out of business by the importation of refined sugar from Puerto Rico and Hawaii, would it not destroy the transportation by rail of the raw beets?

Mr. HOOK. The gentleman is correct.

Mr. KELLER. The gentleman has referred to the great loss in a number of men engaged in refining sugar during the last 25 years. Is that as great a loss as the loss that has occurred in all other mechanized lines in America?

Mr. HOOK. I do not know, but it was because of these importations of refined sugar that this loss came about.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield? Mr. HOOK. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The gentleman stated that the loss to the refining industry resulted in a loss to the railroad men and to the railroads and the gentleman from Kansas questioned that statement. Is it not a fact that at least a part of the work given to the railroad men was directly responsible to the refining industry itself or to refining operations, and by the elimination of the domestic refineries, at least, a part of that loss will affect American labor and American industry?

Mr. HOOK. The gentleman is correct.

Now, let us see just what we have before us. They say there will possibly be a Presidential veto. I do not believe

Let me read what the President of the United States said in his first message to Congress:

The Jones-Costigan Act has been useful and effective, and it is my belief that its principles should again be made effective, and I therefore recommend to the Congress the enactment of a sugar-quota system and its necessary complements which will restore the operation of the principles on which the Jones-Costigan Act

Then he also asked for such legislation in 1934, and Secretary Wallace at that time gave out a statement to this effect:

The Administration recognizes that the domestic beet and cane producers will suffer the disastrous effect of further price declines unless the impact of insular production on domestic markets is modified through definite restriction of shipments.

Mr. BUCK. Mr. Chairman, will the gentleman yield? Mr. HOOK. I would like to yield if I could get a little

more time.

Mr. BUCK. Before the gentleman proceeds to his next point I would like to ask him this question. The gentleman read a portion of the President's message. In the whole message did the gentleman find any recommendation that the existing arrangement as to Hawaii or Puerto Rico should be changed?

Mr. HOOK. No; I did not.

The Democratic platform at one point states:

We will continue, as in the past, to give adequate protection to our farmers and manufacturers against unfair competition or dumping on our shores of commodities.

With this in mind, I say to you that I do not believe the President of the United States is going to veto this bill. There is not a man authorized to stand on the floor of this House and say that the President will veto this bill. These are the same tactics that were used when they tried to browbeat us, and as you know they did through the departments when we were working on this matter in the subcommittee of the Committee on Agriculture.

Representatives from the departments came down and told us of a threatened veto, without any authority for their statements, and then after we unanimously passed the bill in its present form out of the Agricultural Committee what happened? Let us talk straight from the shoulder. The departments said, "If you will amend this bill that has been reported out unanimously by striking out section 207 we will see that you get a rule." What would we have come to, if that was done?

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. HOOK. Yes.

Mr. BIERMANN. The gentleman does not mean to infer that the Committee on Agriculture unanimously agreed to support this bill as it is?

Mr. HOOK. They unanimously reported it out, as it is. Mr. BIERMANN. The gentleman does not infer that we

all agreed to support it as it is.

Mr. HOOK. No; not as it is, but the great majority did. It was a unanimous report.

Mr. BIERMANN. I think the gentleman is accurate to that extent, but I do not want him to leave the inference that we all agreed to support it.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HOOK. Yes. Mr. HOPE. The gentleman quoted from the Democratic platform a moment ago. I ask him whether he interprets that to mean commodities from an integral part of the United States, or does it apply only to imports from foreign countries?

Mr. HOOK. It will apply to anything that will protect the labor of this Nation.

Mr. HOPE. Does the gentleman mean continental United States, or all of the United States?

Mr. HOOK. Let me answer it in this way. If you will take Bulletin 534, you will find the source of labor supply in Hawaii. First, the coolie from China, then from Japan, then from Portugal, then from Spain, then from Korea, and now principally from the Philippine Islands. What happened? Are conditions such over there that even the lowpaid coolie must quit, and they have to jump from one country to another for their labor supply?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOOK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOOK. Let us see whether or not this section 207 is a discrimination.

Mr. LORD. Mr. Chairman, will the gentleman yield? Mr. HOOK. Yes.

Mr. LORD. The gentleman stated that this is a unanimous report from the Committee on Agriculture. I am a member of that committee. There was no roll call. I stated at that time that I reserved the right to oppose the bill on the floor of the House.

Mr. HOOK. That is correct. The gentleman is the only one that I heard say that. There was no minority report. They say this would be a discrimination. Let us follow that to a logical conclusion. We have our quotas on raw sugar, and we limit raw sugar, and we also have quotas on the direct consumption of refined sugar. If this would be a discrimination with regard to the refined sugar, then does not the same principle apply to the raw sugar? If we have the right to limit the quotas on raw sugar does the principle change when it comes to refined sugar?

Mr. LANZETTA. Mr. Chairman, will the gentleman yield? Mr. HOOK. Yes.

Mr. LANZETTA. Does the gentleman seriously con-

Mr. HOOK. I always seriously contend in anything that

Mr. LANZETTA. Does the gentleman seriously contend that insofar as direct-consumption sugar is concerned that there is no discrimination in the bill as it now stands with respect to Hawaii and Puerto Rico?

Mr. HOOK. Oh, I am glad the gentleman asked that question. I do not believe there is discrimination because in Puerto Rico vou pay no income tax, because in Puerto Rico you are not subject to the Social Security Act, and because in Puerto Rico I am informed the wage and hour law does

Mr. LANZETTA. The gentleman is begging the question. Will the gentleman please answer my question? Does he seriously contend that there is no discrimination insofar as direct-consumption sugar is concerned with respect to Hawaii and Puerto Rico?

Mr. HOOK. There is no discrimination.

Mr. LANZETTA. Will the gentleman please explain?

Mr. HOOK. The discrimination is against continental America and I do not yield any further, but I will say this, as long as the gentleman asked the question about being serious. Is the gentleman serious in his protection of Puerto Rico?

Mr. LANZETTA. Yes, I am.

I subscribe to the theory that there is but one kind of American citizenship, and that if a person is an American citizen, irrespective of where he resides, he should be given the same treatment and consideration as any citizen in continental United States.

Mr. HOOK. That is true, and we are treating him better than we are treating the citizens of the continental United

Mr. LANZETTA. So the gentleman thinks.

Mr. HOOK. I know we are and we have been according them very good treatment ever since the time we picked them up. If Puerto Rico and Hawaii are serious in their stand, if they think they are being discriminated against. then I intend to introduce a bill and offer them independence and see whether they will take it.

Mr. LANZETTA. I do not think Hawaii or Puerto Rico seek independence.

Mr. HOOK. They do not want it because Puerto Rico could not pick up \$20,000,000 relief from any other country. Mr. LANZETTA. Does the gentleman's State want inde-

pendence from the Union?

Mr. HOOK. My State does not happen to be a Territory. Mr. HEALEY. What has been the source of labor supply in Hawaii?

Mr. HOOK. I have explained that it came from different countries, Japan, China, Portugal, Spain, Korea, and the Philippine Islands, and that they changed their source of supply periodically.

Mr. HEALEY. Many of them not American citizens. Mr. HOOK. That is right. I was just wondering while the gentleman from Michigan [Mr. CRAWFORD] is on his feet, may I state when we were in committee on the hearings, did not the gentleman tell me about the Filipino labor and about all those who are not citizens in Hawaii, and was it not he who lit the spark in me first to search out about that labor situation? Now, why the change?

Mr. CRAWFORD. There is not any argument about that.

The gentleman has a right to study the labor structure in Puerto Rico, Hawaii, and the Philippines the same as I have. Did you know that in past years, down through the decades, Puerto Rico, Hawaii, and continental beet and cane have stood side by side, shoulder to shoulder, financially and otherwise, organized tight as the Domestic Sugar Producers' Association, always giving each other strength and asking for protection under the tariff laws?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOOK. Mr. Chairman, may I have 2 additional minutes to answer that question?

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. The answer is this: The beet-sugar people have stood shoulder to shoulder, but being a champion of labor the only time that labor has come to the side of the beet-sugar industry is this time. Why? Because of the fact that we placed in this bill the duty upon the Secretary of Agriculture to protect the laborer and the right to force the payment of fair wages, and set up a living wage; because of the fact that we put a child-labor provision in here; and now labor is ready and willing to stand shoulder to shoulder with them. We will stand shoulder to shoulder with them as long as they treat American labor as we expect them to be treated.

Mr. CRAWFORD. Will the gentleman yield further?

Mr. HOOK. Yes; I yield.

Mr. CRAWFORD. Do you mean to say as a member of the Committee on Agriculture that the farmers and sugarbeet factory workers have not stood before this Congress for 40 years in succession asking for protection, and is not this the first time that the American sugar refiners ever came here asking for protection?

Mr. HOOK. They got protection under the Jones-Costi-

gan Act?

Mr. CRAWFORD. They got it under the joint work of Puerto Rico, Hawaii, and United States beet and cane.

Mr. HOOK. They got it under the Democratic administration and a benevolent President. They would never have received it under your administration.

Mr. CRAWFORD. The Democratic administration made sugar free of duty, and you know it. [Laughter and

[Here the gavel fell.]

Mr. KING. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. JONES. Will the gentleman yield for a moment, not to be taken out of his time?

Mr. KING. I yield.

Mr. JONES. I hope, Mr. Chairman, that hereafter Members will confine their requests to 5 minutes. I would like to give everyone a chance to be heard, and I hope that other Members, if possible, will confine their requests to 5 minutes, because there are a great many who want to speak, and there are some other amendments. It is not my intention to ask to close debate, but I hope that after this Members will confine their requests to 5 minutes, so that all may have a chance to express themselves.

The CHAIRMAN. The Delegate from Hawaii.

Mr. KING. Mr. Chairman, there has been considerable argument pro and con and some attacks on Hawaii and many arguments in defense of the bill as not discriminating against Hawaii. I want to say that in the short time I have been here I have found very little, if any, desire on the part of the membership of this House to discriminate against Hawaii at all. Most of you who will vote against this amendment and in favor of the retention of the restrictions will do so in the firm conviction that there is no discrimination against Hawaii. I am going to do my best to convince you that there is such a discrimination, and if I fail I shall respect your convictions, and not take it to heart, as a personal matter, that you have not supported me.

As to the attacks on Hawaii, almost every person who has attacked my country and my people has done so in ignorance or on misinformation and without ever having been there. Everybody who has ever been to Hawaii comes back telling you that it is a splendid country, a modern, progressive community. Several such have spoken in support of my contention. There are no such labor conditions existing in Hawaii as have been pictured here by several uninformed Members. Sometimes fragments of some report are read as something against us, and the rest of the

report suppressed.

I want to read you what the President of the United States himself said when he visited Hawaii. He fished off the Kona coast, and he visited the town of Hilo. He went to Honolulu and drove around the island of Oahu, making us a visit of about 10 days. The President of the United States, a man who has been in public life as long as he has been, can gage a community and its standards and the way it lives and what it believes in just as quickly as anybody can. This is what he says.

Upon his departure this was his message to the people of Hawaii:

I leave, also, with pride in Hawaii—pride in your patriotism and in your accomplishments. The problems that you are solving are the problems of the whole Nation, and your administration in Washington will not forget that you are in very truth an integral

In a fine old prayer for our country I found these words: "Fashion into one happy people those brought hither out of many kindreds and tongues." That prayer is being answered in the

Territory of Hawaii.

You have a fine historic tradition in the ancient people of the islands, and I am glad that this tradition is so well maintained.

The gentleman from Michigan [Mr. Hook] would find in this "fine historic tradition" a discrimination against a portion of the American people. He referred to the special privileges proposed to be extended to the native people of Hawaii as a discrimination against American citizens, although these people are themselves American citizens. other residents of this neighborhood are willing and desirous of extending to these native Hawaiians an exclusive and prior right to engage in fishing off the rock-bound coast of Puna in the area proposed to be added to the Hawaii National Park. Those to whom these special privileges were to be extended are fishermen and the descendants of fishermen who have been engaged in that calling from time immemorial, and it is a privilege which all the other people living in Hawaii are willing and glad to concede and extend to them.

I continue to quote from the President's parting message:

You have built on it, built on it wisely, and today men and women and children from many lands are united in loyalty to and understanding of the high purposes of America.

And I have seen with my own eyes that you are doing much to improve the standards of living of the average of your citizenship. That is as it should be, and I know that you will put forth every effort to make further progress. There are indeed many parts of the mainland of the United States where economic and educational levels do not come up to those which I find here. educational levels do not come up to those which I find here.

And I challenge the gentleman from Colorado [Mr. Cum-MINGS] to compare labor conditions on the Hawaiian plantations with labor conditions in the Colorado beet fields. I have read several documentary records issued by governmental agencies, reports that state that labor conditions in Colorado-not necessarily in the gentleman's district-were terrible.

Mr. CUMMINGS rose.

Mr. KING. I am not going to yield for either a statement or a question at this time, Mr. Chairman.

I wish to read from a letter put into the RECORD of yesterday by the Resident Commissioner from Puerto Rico, Mr. IGLESIAS, written by the president of the American Federation of Labor. The president of the American Federation of Labor has been referred to as considering Puerto Rico and Hawaii not integral parts of the United States when it comes to the sugar question.

Mr. Green said:

DEAR MR. IGLESIAS: I will be pleased to speak to Marvin Jones and put in a good word for Puerto Rico relating to the importation of refined sugar into the United States from Puerto Rico, as you

of reined stagar into the United States from Fuerto Rico, as you suggested in your letter dated June 25.

It has ever been our purpose and desire to help and assist Puerto Rico and the Puerto Rican people. I can clearly distinguish the difference between the treatment which should be accorded the people of Puerto Rico and favor of them, and against Cuba and other countries not a part of the United States Government.

Be assured that I will do all I can to be helpful.

Sincerely yours,

WILLIAM GREEN President, American Federation of Labor.

In the other letter introduced into the RECORD the president of the American Federation of Labor asked for restrictions on Cuba's quota of refined sugar and in another portion of this letter referred to "such reasonable limitations against the importation of refined sugar from our insular possessions as circumstances may require." Of course, Hawaii is not an insular possession.

Mr. HOOK. Mr. Chairman, will the gentleman yield? Mr. KING. Not now; I did not interrupt the gentleman when he was addressing the House.

Mr. IGLESIAS. Mr. Chairman, will the gentleman yield? Mr. KING. I am glad to yield to the Resident Commissioner from Puerto Rico.

Mr. IGLESIAS. I would like to add to the sentiment expressed in the letter of the President of the American Federation of Labor, that the ideals and principles of the American Federation of Labor, as the champion of labor, are not to allow anyone to crucify any class of people that lives under the American flag. [Applause.]

Mr. KING. The gentleman is quite right. The insular possession of Puerto Rico is in a different status from Hawaii. We are an incorporated Territory; they are not at the present time. But they have 1,800,000 people living in Puerto Rico who are striving to earn their living as best they can under great difficulty. They are exempted from the payment of Federal income taxes and have the customs duties collected in Puerto Rico returned to the insular treasury as a matter of necessity. We in Hawaii are not exempted from any levy or tax or customs duty. One of the Members advised me that he had been told we were exempt. I had the pleasure of telling him that we have paid every tax levied by the Federal Government on the people of the United States since we came under the American flag; and since the income-tax law was passed in 1913 we have paid into the United States Treasury every year more money in income taxes than that collected from 12 to 17 States, providing a greater revenue than almost all of the Rocky Mountain States except Colorado. I say this in no desire to pick on those States but as a simple statement of fact. In addition, we pay also the tariffs and customs duties that every other part of the United States pays.

Reference was made to a suit by the Ewa Plantation Co. and others against the Secretary of Agriculture. It was brought in a court of first instance in Washington, D. C., in the District Court of the United States for the District of Columbia. The plaintiff got an adverse decision, but I have here a photostatic copy of an agreement between the Hawaiian sugar industry and the Secretary of Agriculture on that suit. This agreement states:

It is hereby agreed between the parties to the above-entitled cause, that the adjudication in the court below in said cause is not to be asserted by either party in any other proceedings in this matter as the law of the case, insofar as it relates to the right of Congress to discriminate against Hawaii as distinguished from continental United States.

The Secretary of Agriculture, and his legal advisers, had so little confidence in this decision, even though he won the suit in this lower court, this court of first instance, that he entered into this agreement. Furthermore, he followed up this agreement with a production-adjustment contract with the Hawaiian producers that conceded nearly all the points for which our producers had been contending. From that time to this, we have cooperated fully with the Department of Agriculture in the labor provisions of the bill, the protection of the interests of our 3,500 adherent planters, and in the reduction of our production of sugar. May I say further we may have sued and lost a case; but we have yet to be indicted, tried, and found guilty in a United States court for many offenses against the law of the land like the sugar trust of the eastern refineries. [Applause.]

Mr. Chairman, there is really only one issue before us. Are Hawaii and Puerto Rico being discriminated against or not so far as the phraseology of these two sections concerning Hawaii and Puerto Rico are concerned? I say we are for the simple reason that we come under two bans. We all share together the ban on production quotas. Hawaii was reduced 75,000 tons in its production of sugar in the original act and according to the testimony of the Secretary of Agriculture lost 500,000 tons of sugar from our production of sugar during the life of the Jones-Costigan Act, at an expense to us of whatever that may have amounted to in dollars at \$50 to \$60 per ton. We cooperated to the fullest extent in all the labor and other provisions of the A. A. A., which was an emergency matter. That is now water over the dam. We have a quota today of 976,000 tons. The new bill cuts that figure to 938,000, Hawaii sharing with the beets and Puerto Rico in a proportioned reduction in order to give the Louisiana-Florida area an additional quota. I personally had an idea the increase was going to be divided in some proportion between Louisiana and Florida. Puerto Rico and Hawaii were nicked a few thousand tons and the increase given to them. Hawaii lost about 38,000 tons in order to help that situation down there. That is fair and legitimate. I am anxious and glad to do it.

I may say frankly that I am not a sugar man, and I would not personally care if the Committee cut our quotas further in an equitable proportion and gave this additional cut all to Florida. It would be O. K. with me as far as I am personally concerned. I can agree to this perhaps because I have not any money in the sugar business. But, as a matter of principle, it would be equitable and fair if other areas joined in such an arrangement.

However, to return to the amendment, on top of all this production quota you come in with another quota restriction that applies only to Hawaii and Puerto Rico. If we were located on the mainland as a part of the continental United States, this would not be tolerated for a minute.

[Here the gavel fell.]

Mr. KING. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. KING. Mr. Chairman, I just want to make that one point a little more emphatic. Florida, as it happens, produces some 40,000 to 50,000 tons of sugar and does not refine any of it. It sends it all up to Savannah for refining. There is nothing in this law to prevent Florida erecting a refinery down there tomorrow in the sugar-producing area and refining all of that sugar. But there is something in this law that places, first, a quota on us, and then places us further under a restriction with reference to refining our own sugar by a refining quota. That is the discrimination against which I am protesting. No mainland area suffers this double restriction.

Another argument used against Hawaii is that we have received large sums in the form of benefit payments during the life of the excise tax and payments to producers under the Triple A. As a matter of fact we have received less per ton of sugar produced and less in proportion to our share of the total domestic production of sugar than any other producing area. I have here a table covering the period referred to, which I shall ask permission in the House to insert at this point, that shows clearly the truth of this statement.

Sugar production and benefit payments under the Agricultural Adjustment Act

	Production (tons)1	Percentage of total domestic production	Benefit payments !	Percentage of total benefit payments	Average payment per ton of sugar produced
Sugar beets Louisiana-Florida Hawaii Puerto Rico	2, 330, 000 525, 000 1, 982, 000 1, 669, 021	35. 8 8. 1 30. 5 25. 6	\$27, 215, 335 10, 324, 429 13, 322, 114 14, 690, 000	41. 5 15. 8 20. 3 22. 4	\$11, 68 19, 67 6, 72 8, 80
Total	6, 506, 021	100.0	65, 551, 878	100.0	10.08

Obviously Hawaii as the producer of about one-fourth of the domestic production of sugar should receive approximately the same proportion of the total benefit payments made to the domestic producers. But Hawaii has not received this in the past, nor will it receive payments in this ratio under the new bill. The measure under consideration makes a differential in benefit payments in favor of small producers that will further decrease Hawaii's share of such

The Secretary of Agriculture has pointed out in one of his official statements on this subject that the processing taxes will not increase the price of sugar to the public, but will be borne by the industry; that the benefit payments are designed to return to the agricultural producer a greater share of the proceeds of the crop, and, by being made conditional, are designed not only to secure cooperation in the general sugar program, but are also intended specifically to permit (a) compliance with marketing restrictions. (b) the payment of fair and reasonable wages to agricultural labor as fixed by the Secretary of Agriculture, (c) the payment of a reasonable price for sugar cane or sugar beets, and (d) compliance with the soil-conservation programs.

To grant preferential benefits to the smaller producers may be justified; but it must be realized that the expense of the program is carried by large producers and their cooperation is necessary for the program's success. The differential, therefore, should be fair and equitable; and not become a punitive penalty.

I thank you for your patience and hope you will agree with me that the double restriction on Hawaii, imposing both a production quota and a 3-percent refining quota, does indeed constitute a discrimination which should be stricken out of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, my State is tremendously interested in this bill. I did not speak on it yesterday. I therefore ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Colorado. Mr. Chairman, reserving the right to object, there are quite a few who desire to speak on this bill. I am one of them. I would like to have some time

Mr. GREEN. We have had 2 hours' discussion, lacking 15 minutes, and we have not heard from any one except members of the committee practically.

Mr. MAVERICK. Mr. Chairman, reserving the right to object, and I will not object, the chairman of the Committee on Agriculture said he would object to any Member asking for over 5 minutes from now on and I think we ought to stick to that.

Mr. HARLAN. Mr. Chairman, reserving the right to object, may I ask the Chair a question: Is there a limit on the time that is available for debating this amendment?

The CHAIRMAN. There is no limit on the time. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Chairman, my State is tremendously interested in this bill, particularly in the quota provisions. It happens that our State has been expanding in the production of sugar. It also happens that my State consumes about 90,000 or 100,000 tons of sugar per year. Under the provisions of this bill we will get probably less than 70,000 tons. It seems to me that where we only produce, in America, 25 to 28 percent of what is consumed in America it is a shortsighted policy for the Congress to restrict the American people in the production of this necessary commodity. There should be no limitation placed upon sugar production in America. I fully realize the entanglements and the obligations that our Government has assumed to certain other governments in this connection. I refer particularly to the quotas which have been allowed to foreign countries. I notice that under the provisions of this bill the following quotas are set up in the bill:

<sup>&</sup>lt;sup>1</sup> Production of sugar for crop years 1934-35 and 1935-36. <sup>2</sup> Payments at time table was made were not complete for sugar beets but includes the 1935 advance payments totaling \$7,572,000 as shown in U. S. Department of Agriculture Statistics of Agricultural Adjustment 1933-35. This does not include the 1933 refund payment of \$2,640,000 paid to sugar-beet producers.

Source: U. S. Department of Agriculture (Agricultural Statistics, 1936, tables 124, 470, and 471).

Domestic sugar beets, 1,550,000 tons. That is not too much.

Mainland cane sugar, 420,000 tons. This is not enough.

Hawaii, 938,000 tons, which is not too much.

Puerto Rico, 798,000 tons.

The Virgin Islands, 9,000 tons.

The Commonwealth of the Philippine Islands, not now an American possession, 1,029,781 tons. I am still not fighting so far as that is concerned.

Cuba, 1,911,476 tons.

Foreign countries other than Cuba, 26,000 tons.

Mr. Chairman, I believe in protecting American industry and expanding an essential industry for our American people in time of war and in time of peace. In line with that thought, the Florida delegation will offer an amendment and I hope you gentlemen who favor protection of our American people will vote for this amendment. The amendment we will offer provides for quota substitution as follows:

Domestic sugar for the first year, 1,550,000 tons. Louisiana, 360,000; Florida, 90,000, only 30,000 increase; Hawaii, 938,000; Puerto Rico, 798,000; Virgin Islands, 9,000; Philippine Islands, 970,000; Cuba, 1,917,000; this indeed is ade-

quate. Foreign countries, 50,000.

May I ask each Member this question: As a consumer of America do you believe it is right, and as a Member of Congress, do you believe it is a sound policy to vote to restrict mainland production of sugar when we are producing only 23 to 28 percent of what we eat in America? Suppose you have war. Then, would not the Government have to subsidize production of sugar in America? Is it a sound policy to restrict the production of sugar in the Florida Everglades, the richest sugar lands in the world, to less than what we actually consume in the State of Florida? Soil, climate, and every sugar-producing requirement are ideal in Florida. I say it is unwise and I say it is un-American to give to Cuba, a foreign country, with foreign labor, paid probably 30 cents a day, a quota which should go to Florida, where we pay \$2.70 a day for our own American labor? In addition to \$2.70 minimum daily wage, employees are given housing, medical care, and other benefits. Is it right? Is it just? I have nothing to say against production of sugar in Puerto Rico or in Hawaii. These are our own territories. I have heard of no inclination on their part toward independence.

On the contrary, pending in the Committee on the Territories are requests that they be given statehood. Hearings have been held and this committee, of which I am chairman, will, I am sure, give their causes care and mature consideration. Their citizens are loyal American citizens, and I ask not for restriction of their quotas. Let them produce sugar. You have not restricted their quotas. On the contrary, you have restricted the quotas of your beet growers. You restrict the quota of Louisiana. You absolutely stop any expansion of production in the State of Florida. My colleagues, this is time for serious thought. I have due and high regard for administrative officials of the Government but I owe a responsibility first to the people in my State who sent me here and next to the American people, who are requesting expansion of our American industry to take care of our American people. I owe far greater allegiance and far greater support to the cane growers in the Everglades, to the cane growers in Louisiana, and to the beet-sugar growers in Colorado, than I do to foreigners who do not even purchase their pro rata of manufactured commodities from our American manufacturers. It is time for us to take the bit in our teeth and vote for our own people for one time, rather than continue to vote here to let American dollars and American production go to foreign countries and to foreign labor. I stand for the American laborer and the American standard of wages. I stand for assisting as far as we may foreign countries which give us our share of trade by buying from us. Cuba does not give us our share of trade through the purchase of our manufactured articles. On the other hand, out of the 6,682,670 tons of sugar consumed in our country annually we give her almost one-third.

Why? I will let each answer for himself. Are you going to do it? You gentleman from Louisiana are paying a good wage and trying to expand your industry. You gentlemen from Colorado and the other beet States have worked for months on this legislation to try to bring your areas back in production. We in Florida are earnestly trying to expand in production of sugar. These three areas in the United States with a reasonable expansion can produce 50 to 75 percent of the sugar used in our country. Would that not be a far better position than we occupy today?

Mr. DEROUEN. Mr. Chairman, will the gentleman yield? Mr. GREEN. I yield to the gentleman from Louisiana.

Mr. DEROUEN. Does the gentleman from Florida believe

we can rewrite this bill on the floor?

Mr. GREEN. I absolutely know we should adopt on this floor an amendment to take off a part of Cuba's quota and give it to Louisiana and Florida, and I hope the gentleman will stand with us.

Mr. DEROUEN. The gentleman from Louisiana will vote for the bill as reported by the Committee on Agriculture. We cannot write a bill on the floor.

Mr. GREEN. In the increase allowed under the bill, Louisiana gets the lion's share. This is possible under the historic base, but Florida will contend for an increase in quota.

Many years ago the Federal Government ceded to Florida between five and six million acres of swamp and overflowed lands in Florida, principally in the Everglades area. The condition of this transaction was that Florida should drain and reclaim this vast area. The State of Florida and her citizens diligently went about carrying out their part of this compact. Almost \$100,000,000 was expended in the Florida Everglades in drainage, flood control, and navigation. Some 4,000,000 acres of this land is now arable and represents probably the richest and most fertile land in the world. It is peculiarly adapted to the growth of sugarcane. It produces, I believe, more tons of sugar per acre than any land in the world.

Our Everglades people did not turn to the production of sugarcane until adversities in vegetable production overtook them. First, they saw their pineapple industry move over to Cuba. Later, and at present, they are now seeing their winter vegetable industry absorbed by Cuba and other foreign islands on account of pernicious reciprocal-trade agreements entered into in the past by the Federal Government. Existing reciprocal-trade agreements with Cuba have made it unprofitable in many instances to undertake to grow winter vegetables in south Florida. Without these reciprocal-trade agreements and with adequate protection for our winter vegetables and fruits in the south Florida area, we would never have been forced to turn to the production of cane sugar.

As a last resort for American production capital turned to the Everglades and there established our present thriving sugar industry. We are cultivating probably less than 20,000 acres of sugarcane in the Everglades now. This low production was caused by the Jones-Costigan Act. If we could be permitted to expand production of sugarcane in the Everglades from three to four million acres could be taken up and would probably produce half as much, or possibly as much, sugar as is consumed in the United States.

Just as we are beginning to profitably produce sugar in the Everglades the Federal Government halts us and forbids expansion. This is an unwise policy and one which no businessman would permit in his own financial transactions. Florida is not interested in subsidies given for acreage reduced. It is true that some 5,000 acres of cane was, during the past season, plowed under in the Everglades and the Government paid more than one and one-quarter million dollars subsidy for this act. These same acres would have produced the growers far greater income if they had been permitted to harvest the cane crop.

The fact of the matter is we do not believe in restriction of production of sugar in continental United States and in our territories as long as we produce only a small percentage of the amount consumed in the United States. In Florida is consumed possibly 100,000 tons a year. In Florida we are permitted to market, under the provisions of this bill, a far less amount; therefore, under the provisions of this bill, Florida takes the role of consumer rather than that of producer. It is an unfair and an unjust discrimination against my State to restrict it from producing less sugar than is actually consumed in it. It is a costly adventure for the Government to pay Florida growers funds to keep acres out of production and at the same time to import from foreign countries sugar which is needed by the American people. Undoubtedly this process of our Government will not long continue.

- Even if this bill is passed and applied, it will be of temporary duration, because the sound judgment of a strong American Government will not long permit a process of this nature which on one side is governmental extravagance and on the other side is penalty on American labor and on American producers. If we were permitted to expand production of sugarcane in the Everglades, we would have no relief problem there among some 50,000 population. All in this south Florida area who desired to work could and would find gainful employment in an honorable and necessary industry for the future development and progress of our Nation. When production of sugar is restricted there it has the effect of adding thousands to the relief roll or at least failing to take from the relief rolls thousands that could be absorbed in gainful occupation. Therefore, our Government, through the workings of this bill, will deny employment to our persons, will keep them on the relief rolls, and at the same time will turn around and pay bounties to our people who desire to produce at a profit but who are not permitted to do so.

Mr. Chairman and members of the Committee, I cannot believe that a policy so unbusinesslike can long endure in our splendid Government. It is hoped that the House will accept the amendment which I have referred to. If this amendment should be declined, then other amendments will be offered. It is my intention to offer one which would take directly from foreign quotas some 25,000 tons of sugar and add it to our limited Florida quota. This would give us a reasonable expansion and would permit us to grow probably as much sugar as could now be processed in existing plants in the Florida Everglades.

This is a matter of transcendent importance, particularly to my State, and also indirectly to the American consuming public. In offering these amendments and making an effort to expand production of sugar in the Everglades of Florida, the Florida delegation is conscientiously working for what we believe will redound eventually for the best welfare of every consumer in America.

I urge my colleagues to stand with us and to adopt our amendments to this bill. [Applause.]

Mr. WADSWORTH. Mr. Chairman, I do not desire to appear before the Committee under false colors. I shall vote for the amendment offered by the gentleman from Texas [Mr. Jones] because I believe that if adopted it will take out of the bill its two worst features. Its adoption, however, does not leave the remainder of the bill satisfactory, to my humble and very often inadequate judgment.

We have heard a great deal about the discrimination implied or effected by paragraphs (a) and (b) of section 207. As the discussion has gone along, it has occurred to me, and it may have occurred to others who have listened, that as we take our steady steps toward a totalitarian state in which government is to tell the people how they shall earn their living, inevitably there arises in this body, as there would arise in any legislative body convened in such a state, a strenuous pulling and hauling as between sections. I think you will not deny that sectionalism has reared its head here in this debate. It is my confirmed opinion that sectionalism is bound to arise when government takes charge of business. If one section of the country or one industry happening to thrive in a certain section of the country is to be put upon a quota basis in the matter of production, whether it be sugar or cotton or potatoes, or whatever, and another section of the country engaged largely in the same

business is put under another or a different quota, there is bound to arise an acute rivalry between the two sections, and the representatives of each section will hurry to Washington and try to get a Government decree advantageous to it and disadvantageous to the other.

This element appears in this bill as it is presented to the House. There is no restriction placed upon the refining of sugar by a continental refiner. He may purchase all the raw sugar he can purchase under the maximum quotas, and may refine 100 percent of it. In the same breath we propose to say to the refiner in Hawaii, "No; you cannot refine more than 3 percent of the raw sugar permitted to be produced in Hawaii." There is your discrimination.

duced in Hawaii." There is your discrimination.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. KLEBERG. I know the gentleman wants to be accurate, and, so far as his statement goes with respect to the restriction of 3 percent, the gentleman is accurate, but there is no restriction on what they can refine for home consumption or for the world market.

Mr. WADSWORTH. Surely the gentleman from Texas would not advance that suggestion as a defense of the pending provision. We know that the home consumption of Hawaii, of necessity, must be infinitesimal compared with its total production of raw sugar, and it would hardly satisfy the Hawaiian to say to him, "You can eat all the sugar you raise."

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JONES. Mr. Chairman, will the gentleman yield to me, not to be taken out of his time, in order that I may try to reach some agreement as to closing debate on the pending amendment and all amendments thereto?

Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 1 hour and 15 minutes, at the expiration of the additional time granted to the gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Chairman, will the gentleman from New York yield?

Mr. WADSWORTH. I yield for a very brief question.

Mr. MAVERICK. Would not this be just the same as if they would put a total quota on the State of Texas for the refinement of oil and say that Texas could not refine its own oil?

Mr. WADSWORTH. There is no difference in principle whatsoever. If the Congress can do this, if it is wise, if it is constitutional, if it is statesmanlike, then it can do it with any other crop or any other product in any State or in any group of States or in any colony or Territory or possession.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield for a brief question?

Mr. WADSWORTH. Yes.

Mr. ANDRESEN of Minnesota. Does the gentleman think that such a discrimination is constitutional?

Mr. WADSWORTH. I am but a layman and my judgment on constitutional questions is not worth listening to. My personal opinion is it could not stand in the courts; but, Mr. Chairman, the gentleman from Texas has just called attention to an analogy. I do not know how the members of this committee regard this kind of legislation. Mind you, I have no interest in the sugar business whatsoever, neither have any in my district, but look at the sentence on page 14, commencing at line 9. It is a little bit of a thing, but this is the kind of legislation the Congress of the United States has come to:

None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I cannot yield.

Mr. MANSFIELD. There is no refinery in the Virgin

Mr. WADSWORTH. I know that. The gentleman from Texas reminds me that at present there is no refinery in the Virgin Islands. This bill proposes to say to the people inhabiting that possession of ours, "You shall never have one." This is the kind of legislation we are coming to in this desperate endeavor to regiment the businesses and occupations of the people living under the American flag. No; there is no refinery in the Virgin Islands. There is a Government distillery there making "Government House Rum", financed by the United States Treasury. I have tasted it—never again! [laughter]—but that is beside the point.

The tendency and trend which this legislation portrays is inevitable so long as we live under that philosophy of government which assumes that government is all-wise and therefore should be all-powerful. From day to day, for 2 or 3 years, we have been saying "Thou shalt not" to you and "Thou shalt not" to you. "You shall run your business as I say you shall run it and in no other way. Government

must be, and shall be supreme."

This is that kind of legislation. You say it is brought here to meet an emergency. What created the emergency and how long ago did it take place? At least 5 years ago, and day after day we find these bills brought in on the assumption that the emergency is not over, and never will be. We are extending these powers year after year without cessation. It is the settled policy of government today in America to have the American peple live under this kind of legislation. Why not admit it? Many people believe we should live that way. I do not. It is a difference of opinion, and an honest one, but, inevitably, as you proceed with it you will find the ugly head of sectionalism appearing in our legislation.

A bill is to follow this one next week known as the Black-Connery bill. I know that sectionalism is already involved in the consideration of that bill. There are men on this floor who will be influenced—they may not be decisively influenced, but who will be influenced, by the plea that if the Government by decree can fix minimum wages, one section of the country may suffer to the advantage of another. You know it just as well as I do. Sectionalism, again, because you are trying to center in one spot, here at the seat of the Federal Government, all power to control the methods of earning a living pursued by one hundred and twenty-odd millions of people, a task impossible of performance and fraught with the gravest danger to our civilization. [Applause.]

Mr. HARLAN. Mr. Chairman, I was interested in the remarks of the gentleman from Kansas [Mr. Hope] when he said that this is not a tariff bill. It is not. It is far worse, far more iniquitous, far more vicious than any tariff bill that we have ever had in this country. When we enact a tariff bill, we say to the foreign countries, "We are excluding your commodities', and we know when we do that, that those foreign countries can retaliate, that they can exclude ours. Economic processes would do it, anyway, but they can accelerate it and make it faster. Here we undertake to impose a quota, more effectively injurious than a tariff, against an insular possession, which we know cannot retaliate, which cannot defend itself. We are treating our possessions far worse than we are treating any foreign country. I can in my imagination, as I sit here and listen to this debate, take myself back 175 years to the British Parliament, when they were saying under the same argument what we are having here today, "Don't let those Americans Colonies manufacture guns, don't let them distill rum, don't let them build ships, don't let them do anything, make them bring all of that to England", and that is what we went to war about.

If we are so terribly afraid of suffering from the reduced labor costs of our possessions, then let us do the honest thing, the courageous thing, and either turn these possessions loose or transfer them to the sovereignty of a nation that is not suffering so much from the jitters.

Without the Virgin Islands, of course, we would be depriving ourselves of a most valuable naval base in the Caribbean Sea. Without the Hawaiian Islands, we could prepare ourselves to treble the cost of our defense of the Pacific coast. We could prepare to junk our trans-Pacific air-mail and transport business; then having paid that cost, we could erect a tariff wall against these foreign possessions and be consistent with history and at least honorable in our dealings.

The gentleman from Massachusetts [Mr. McCormack] a moment ago questioned the sincerity of the gentleman from Texas [Mr. Jones] in supporting the abolition of these quotas. I am not going to question the sincerity of purpose of anyone in this debate; but all that I will do is to ask this House to look at the districts from which those Members come, who are the most outspoken advocates of

placing a quota on our insular possessions.

There we find the gentleman from Texas [Mr. KLEBERG], my very good friend and a man for whom I have the very highest regard. He represents a district that probably has more native Mexican and people of Mexican extraction than any other district in the United States. His constituents come up to Ohio and work in the sugar-refining business and take jobs away from native American laborers. Other districts which have loud spokesmen in favor of the insular refining quota, raise sugar beets. A very high percentage of the sugar-beet acreage in this country is under the direct ownership and control of the American Sugar Refining Co. Then we have the districts along the coast, where the coastal refining business prospers. Those districts are not without congressional advocates. In addition to that, we have a lot of sincere Members of this House who believe in the principle of protection and think that this is a proper method of achieving their purposes.

I do not question the good faith, nor the sincerity of any man who has debated on either side of this subject, but I ask the Members of this House to look over the speakers who have denounced this unfair, un-American insular quota system and see if there is a single one of them who can be accused of having a selfish interest in their advocacy. Look and see if you can find a single man advocating the repeal of this quota who is going to gain one vote or any other favors by his attitude.

What a farce is this plea "to defend American labor." The sugar industry pays less for labor out of its gross expenditures than almost any other industry in this country. So far as I know, it is absolutely the lowest. Three percent of its expenditures go for pay rolls, and, of course, it is because of that 3 percent that the sugar interests have flooded our hallways and the dining room downstairs with lobbyists. But last week, when one walked into the congressional dining room, he did not know whether he was in a Congress of lobbyists or in a meeting place for lawmakers. Oh, yes; they are interested in the 3 percent; they are not all interested in the other 97 percent of their expenditures. They are not at all hoggish in this matter, either. Under the Jones-Costigan Act, the coastal refineries increased their annual refined-sugar output by 386,000 tons. They are not satisfied with that. Like the dog with the bone crossing the bridge, who sees the reflection of another dog in the river, they want it all. They do not want Hawaii or any of our possessions to cut in on their 97 percent at all.

The gentleman from Michigan [Mr. Hook] said that the number of employees in the refining business had dropped from 24,000 to 14,000 in the last few years. I do not know where he gets his figures; he did not specify; but if the employment did drop that much, it dropped in the face of a tremendous increase in output in the last 5 years. Of course, the refining industry has reduced their employees. Improved machinery has done the same thing for practically every other industry. It is because of this improved machinery that these refineries have reduced their labor

outlay to 3 percent of their total expenditures as against the railroads that pay out 50 percent of their expenditures for labor.

To show the absolute hypocrisy and absurdity of this claim about defending labor, let us assume the impossible; that is, that within the next 2 years Hawaii and Puerto Rico double their present production and that the Virgin Islands accomplish the inconceivable task of refining as much as the whole Hawaiian Archipelago. The total production of all our possessions under this impossible dream would be 242,000 tons. What effect will that have on an industry that in 1936 refined more than 4,500,000 tons? It would not be a drop in the bucket. There is not a man in this House, so far as labor is concerned, that would even know that the sugar was coming in, even those in the direct refining districts, such as the gentleman from Massachusetts [Mr. McCormack].

It is not the labor, it is the dividends that are footing the bill for this lobby; and, Mr. Chairman, with this iniquitous, abortive legislative bill as it now stands before this House, with these indefensible quotas included, I, for one, would rather see no sugar legislation, and from conversations I have had with Members of this House I feel that that sentiment is very prevalent throughout the Members of this body who do not represent either refining districts or sugar-growing sections.

Some gentleman said, a moment ago, that this is fair, that we are treating Hawaii and Puerto Rico the same, or better than continental United States. Mr. Chairman, let me tell you when we will be fair. When this Congress says to Ohio, when it says to Georgia, when it says to Texas, that the manufactures they have in those States shall stay as they are today now, and henceforth forevermore, that they shall not expand, then such a bill as this will be fair. If in this same bill we should say to New York, or Ohio, or Michigan, where there are refineries, "You cannot expand your refineries, you have to take the same as Hawaii, take what you get", then it will be fair. But this proposed exclusively insular quota is so obviously iniquitous, so obviously against our policy of a free people and a free Government, that I say I do not care whether the President of the American Federation of Labor, as the gentleman from Michigan [Mr. Hook] asserted, or the C. I. O .- I would not care even if the President of the United States, if we can imagine such a thing-should approve this quota, it is not right. It does not make any difference who approves it, because their approval will not change the facts in the case. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

#### DOES LORD NORTH WALK THROUGH THE CHAMBER TODAY?

Mr. MAVERICK. Mr. Chairman, as the gentleman from Ohio [Mr. Harlan] said, this is parallel to what happened some 175 years ago in the British House of Lords. Is the spirit of Lord North walking through our Chamber today? In the House of Lords they were discussing then, and up to the time of our Revolution, the matter of commercial restrictions on the Colonies. They placed those restrictions on the Colonies; and England got the Revolution and lost the greatest lands on the face of the earth.

What was the point at issue then?

The point at issue was that the Colonies could grow all the raw products they wanted, but could not manufacture anything, that they had to buy their manufactured goods from England, and could not manufacture anything themselves. When Burke made his speech for conciliation of the American Colonies, everybody booed in the good English fashion of the time and laughed at him.

#### SITUATION EXACTLY SAME AS 175 YEARS AGO

What is the situation today? Why, it is exactly the same. Of course, we have the force to make Hawaii comply with such a law if we want to do so, but I say from the viewpoint of justice, and from the viewpoint of the Constitution of the United States, we should not do it. It is not fair.

Let us compare raw sugar with crude oil. It is just the same as if we let California produce all the crude oil she wants, but that the Texas people could by influence force through a law that California cannot refine its own oil in California and ship it to other parts of the country. That is exactly the same principle.

Yes, Mr. Chairman; it is the same situation as if the cottongrowing State of Texas had enough power to force through a Federal law saying North Carolina cannot have textile mills in the State of North Carolina, because Texas might want to build up textile mills in the State of Texas.

That is exactly what the proposition is. It makes no difference whether the commodity is raw sugar, crude oil, cotton, or pigs—if you can produce them anywhere in the United States, you can process them into refined sugar, refined oil, textiles, and bacon. To deny Hawaii and Puerto Rico the right to process its sugar and sell the sugar in their own country is not only unconstitutional but illogical—or, it is fantastic, bizarre.

## SUGAR LOBBY MOST PERNICIOUS IN UNITED STATES

The most pernicious lobby we have ever had in the United States is the sugar lobby. It has a long trail of indictments, corruption, and evil practices. The only benefit that this bill as it stands is to the refiners, and I say that if we want to do the thing that is just and fair and constitutional, we ought to adopt the Jones amendment, striking out the restrictions against Hawaii and Puerto Rico.

But suppose Hawaii does refine sugar, how are you going to stop it? It would be the same thing as Texas shipping refined oil or North Carolina shipping textiles, both in their own country. In other words, if we adopt the special restrictions we are adopting a policy of making colonies out of a part of our own country.

Certainly, it would be an evil precedent.

Oh, they talk about refineries, and that it means lower wages for 14,000 workers; but let us think about legislating for 127,000,000 Americans instead. So I say to you, for the sake of honestly following our Constitution and doing what is plain right, let us adopt the Jones amendment. [Applause.]

Mr. MICHENER. Mr. Chairman, I shall support this bill as reported by the Committee on Agriculture, and without any amendments. Hearings have been held; different theories advanced; all interests involved have been heard, and this bill comes before us as the best judgment of the committee. It is also endorsed by the sugar growers, producers, and refiners as the most practical method of meeting a necessitous situation.

The Jones-Costigan Sugar Control Act became a law in 1934. That law with its quota provisions expires December 31, 1937. I do not believe that the fundamental principle of the Jones-Costigan Act is the best method of approach to the United States sugar problem if genuine consideration is to be given to the American producing industry. That is not the question before us today, however. The Jones-Costigan Act with its quota and benefit provisions has been of value not only to our beet- and cane-sugar growers but also to our refiners. The real trouble with the principle of the law is that it is based on the premise-and the hope on the part of the administration—that the industry in the United States may be frozen at a given point and that by this method expansion in the continental United States may be stopped. It is needless to say that I am particularly opposed to any such theory.

About 20 percent of the sugar required by the consumers of continental United States is grown in continental United States; 40 percent of the sugar consumed in this country is obtained from Hawaii, Puerto Rico, and the Philippine Islands; the other 40 percent is imported from foreign countries and, as we all know, comes largely from Cuba. Now, it is clear to me that if the farmers of the United States can produce more of the sugar consumed in the United States, then they should be given that privilege, The domestic market for our farm products belongs to our own farmers and all legislation should be aimed toward the

end of restoring to the American farmer that market to which he is entitled. We can produce cane sugar and beet sugar in large quantities on our own soil.

The area of the country that can be most profitably utilized for cane-sugar production is limited by moisture, temperature, and soil. This territory exists largely in the southeastern part of the United States. Beet sugar, however, can be produced throughout a large part of our country. It therefore follows that instead of producing 20 percent of the sugar we actually consume, legislation should be enacted not only to make possible but to encourage the development of the beet-sugar and the cane-sugar industries in this country. We already have a vast surplus of cotton in the South. Every acre of cane sugar may mean just one acre less of cotton in our great southland. Every acre of sugar beets in the other sections of the country will mean just one acre less of wheat, corn, and other crops of which we already have domestic surpluses. I condemn the inconsistent policy of removing from production fertile acres and at the same time importing foodstuffs that might be produced on these American acres by American labor living according to American standards. Last year millions of acres were taken out of production in this country and benefits paid by the consumers of the country as a reward to farmers for not producing the things that the American people not only desire but need as the necessities of life. There is no better place to stop this foolishness than to stimulate the American sugar producing industry. While the purpose of this bill is not to accomplish this result, yet as an expedient it will prevent the total destruction of the industry for the time being. That seems to be the most that our home sugar producers can hope for from this administration.

When beet sugar is produced on our own acres, it not only furnishes an income to the owner of the land but it furnishes an income to the farmer who tills the land, and it goes further and furnishes seasonal employment to farmers and others living in the community where the beets are produced. Beet-sugar factories are not large institutions and are located in the communities where the beets are grown, so that the farmer receives benefits from the price he receives for the beets, also from the factory pay rolls in the community, and the local community benefits from the employment in the factories during the few months in the winter when there is no other employment on the farm or for the laborer in the villages or small towns where the beet-sugar factories are always located. Another element which is of prime importance to the local beet-sugar factory community is the fact that the factory is placed on the local tax roll and, therefore, contributes to the upkeep of the schools and the community in general. All of these are home benefits. They inure to our own citizens rather than foreigners.

Now sugar can be produced more cheaply in Cuba, Puerto Rico, and Hawaii than it can in continental United States, but that is no reason why it should not be produced in this country. Corn and meat products can be produced cheaper in South America, yet that is no reason why they should not be produced in this country. Wheat and dairy products can be produced cheaper in Canada and other countries than they can in this country, yet that is no reason why these products should not be produced by the American farmers. It costs more to live in the United States than it does in many of these other countries, but it is worth more. Our standards are higher and can only be maintained by some differential, preferably in the form of a protective tariff.

The traditional way of protecting the United States sugar producer was changed when the Jones-Costigan law was enacted. That bill relied upon the quota rather than the tariff. The important difference is that quota restrictions apply to local production as well as offshore importation. There is no question but that the underlying purpose of the Jones-Costigan law was not only to discourage, but to prevent development of the sugar industry in this country. Without sacrifice by each group or element in the sugar industry of the right to expand at will, there could be no quota system. Under that system the refiners are limited as to the offshore sugar

they may refine, while the farmers are limited as to the amount of cane and beets they may harvest.

The administration is opposed to this bill, because it seeks to limit offshore importations into this country. Secretary Hull, of the Department of State, is particularly opposed to this bill on the ground that—

The trade concessions granted to the United States by Cuba in the reciprocal-trade agreement signed August 24, 1934, were based in part on the assumption that the sugar-control plan, if continued in effect, would not be changed to Cuba's disadvantage.

In short, in the reciprocal-trade agreement with Cuba, Secretary Hull traded off the United States beet producer and has agreed with Cuba that our production will not be increased, and that Cuba may continue to furnish to our consumers the sugar that our farmers can and should be permitted to produce.

The gentleman from Colorado [Mr. Cummings], who is thoroughly conversant with our sugar problem, tells us that, without sugar legislation at this time, the sugar industry of Hawaii, Puerto Rico, and the United States is absolutely ruined because we go on the world market with a 90-percent tariff protection, while we had \$2 against Cuba and \$2.50 against the world before the quota system became effective. Now, there is no question but that the gentleman is correct; and it follows as the night follows the day that after December 31, 1937, unless legislation is enacted, Secretary Hull's agreement with Cuba rings the death knell to the sugar industry in our own land. It is not only advisable, but it is imperative, that we have sugar legislation at this time, even though we must enter into some compromises to bring it about.

Here the refiners and producers are united and fighting for a common cause; that is, the life of each industry. This is strange, because the seaboard refiners and the growers of beet sugar have been economic enemies from the beginning. The refinery is nothing more or less than a processing factory. The prosperity of the refiner depends entirely upon the quantity of raw sugar available to be refined. He, therefore, has always opposed any protective tariff or limitation on importation of raw sugar into this country. The cheaper he can buy the raw sugar in Cuba and refine it in this country the more money he makes. He has no trouble about his market and, if given a free hand, the American refiner absolutely controls the price of sugar to the consumer in this country. That raw sugar is produced by peon labor under conditions unthinkable in this country.

The beet-sugar grower in my section of the country must compete with this raw sugar from Cuba. In a beet-sugar factory the raw product is the beet, and the finished product is the sugar in the bags ready for the market, so that we do not have sugar refineries in the beet industry akin to the cane-sugar refineries. These refiners have always fought the beet-sugar farmers. They would have none of us. In the past they have conducted most unwarranted propaganda against beet sugar, and as a result of the propaganda, beet sugar today sells 15 to 20 cents per hundred less than cane sugar, although its qualities and composition are identical. In view of these facts, I hold no brief for the refiners. Greeks bearing gifts are always subject to distrust, we are told. These people are momentarily with us because it best serves their purpose, but we must take stock of the morrow.

It is true that about 14,000 persons are employed in the seaboard refineries. All of these are in the larger cities. I thoroughly believe in protecting this United States labor. At the same time, it is not consistent to furnish these workers with free raw sugar at the expense of the farmers who want to produce cane and beet sugar in this country. The difference is, that in the case of the refiner, the workers in the refinery are protected against cheap foreign competition, while in the case of the beet-sugar producer not only the workers in the factories, but the owners of the farms and the workers on the farms are given like protection.

The House is practically unanimous for this legislation. However, we are advised that the President will veto the bill unless we comply with his demands and the demands

of Secretary Hull above referred to. We are told that we cannot legislate for the benefit of the continental refiner and grower without taking into consideration Cuba's interests and the interests of Puerto Rico and Hawaii in the world sugar market. That is where the fight is today. The gentleman from Texas [Mr. Jones] will offer amendments complying with the administration demands. The temper of this House is such that its independence will be asserted and the bill that leaves the House will represent the mature judgment of the Members. Some changes will undoubtedly be made in the Senate, and the emergency is such that it may be necessary for the House to again yield to the Executive or lose all immediate protection for the beetsugar industry. When, oh when, will this Executive domination cease?

Mr. HEALEY. Mr. Chairman, the gentleman from Texas [Mr. MAVERICK] who preceded me stated that the persons chiefly concerned with the passage of this bill without the amendment are the so-called pernicious sugar lobby. I hope I shall have the time to read into the RECORD at this time the petition of 1,200 employees of the sugar refineries at Boston, Mass. This petition was brought here by a committee of four representing the sugar workers' union of that city, not lobbyists, not paid by any sugar refiners to come here—oh, no, they come here as the representatives of their fellow workers to appeal to this Congress to save their jobs. The expense of their trip is defrayed by their union. The petition which they have delivered to me is far more eloquent and appealing than any remarks I am capable of making on this legislation.

Let me read this petition:

We, being sugar workers in the various cane-sugar refineries in continental United States, hereby petition you as an American official to do all in your power to have taken out of pending sugar bill any provision that permits entry into the United States of sugar in refined form from Cuba or any other offshore area.

The entry of such sugar, refined by low-wage tropical labor, has wrought havoc among our workers. A great number of our fellow workers are now on relief, and if the sugar bill passes in its present form a great number of our present employed workers will continue to work only a fraction of the time. We are more than anxious to earn an honorable livelihood and do not want Government bounty.

workers are now on Fener, and it the sugar bill passess if its present form a great number of our present employed workers will continue to work only a fraction of the time. We are more than anxious to earn an honorable livelihood and do not want Government bounty. Cuban workers, who perform the same type of work as we, get, in Cuba, a minimum wage approximating a dollar a day, and in Puerto Rico 85 cents a day, whereas we have been receiving during depression times several times these amounts per day.

We want this petition to be understood as an emphatic protest against what we term "a discrimination against American labor."

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Evartt, 45 Connecticut Avenue, Somerville, Mass.; Thomas Gaughan, 23 Treadway Road, Dorchester; James Roach, 9 Haskins Street, Roxbury, David McDonald, 20 Gates Street, South Boston; Leslie Haynes, 14 Fairmont Avenue, Cambridge, Mass.; Herbert Praria, 41 Montial Street, Wilburn, Mass.; Francis Z. Kelley, 123 Webster Avenue, Cambridge, Mass.; Harbert Praria, 41 Montial Street, Stoneham, Mass.; Carl H. Collins, 31 Street, Charlestown; Dzyla Howe; Charles Chicarello, 225 Cedar Street, Somerville, Mass.; Priscilla Wisniewska, mings; M. Garvin, 15 Clark Street, Saugus; Anthony Di Lorenzo, 11A Fifth Street, Medford; John Feixa, 313 Portland Street, Cambridge; Thomas Donovan, 143 Bunker Hill Street, Edward Donovan, 250 Bunker Hill Street, Charlestown; Luigi Gfrisellini; Timothy P. Garitz, 63 Carroll Street, Chelsea; Leo Cassidy, 33 Clarke Street Everett; Michael Sirporo; James Arinello; John Nastaro; Wm. M. Hill; Joseph Gilgo; Thomas Scoppetnolo; P. Bowering, 95 Billings Avenue, Medford; J. Rafferty, 15 Edmund Street, Malden, Mass.; William Younger, 505 Shawmut Avenue, Boston; Possidonio Almeida; Antonio Sanches; Augusta Spencer; Edwin Joy; Thomas Murphy; Arthur Joy; Mortimer Douglas; George Avery; Anthony Cella; Joseph McNamee; John Brock; Charles Pagle; Harold V. Connell; James Sears; Ernest Panza; Neil Cadigan; Charles H. Cronin; I. J. Steutrino; Joseph Gentlie; Albert Hardy; W. Tobin; Peter Burns; J. A. Russell; S. Nicholls; J. Corniser; Frank Morris; John J. Donnelly; J. Loygie; Martin Barnett; Jose Morris; John J. Donnelly; J. Loygie; Martin Barnett; Jose Mello; John J. Ryan; John J. Thompson; Fitz Spooner; A. R. Wallace; Frank Mello; Dennis Sears; Thos. La-Rorque; John Gill; John Dunlea; Louis Jimenez; John Kemp; Thomas Mackey; P. Fecost; Alfred J. Mellino;

George H. Cummings; Joseph A. Murray; John McFadd; Bernard Cummings; Fred Berry; John Middleton; Domica Fra De Stefano; Carmino Guasino; Louis Mello; A. Clark; John Connors; Ernest F. Follansbee; Thomas McBride; Michael Devine; Edward McDonough; Paul Bolas; Anglo DeAngleus; Fis. Cseh; H. Kautz; M. W. Marsh; Victor E. Paulson; Geo. B. Trefrey; Joseph H. Smith; Daniel Dwyer; Frank Lepham; L. Butler; L. Clark; P. Durante, Jr.; Charles E. Townes; Edw. L. McCarrick; Garrett L. Sullivan; John E. Brenner; Patrick J. Kelley; Frank P. Holmes; John J. Sullivan; John H. Marshal; Francis J. Harrington; William F. Sullivan; Thomas Rumley; D. J. Giannetto; Patrick Santos; Frank Quinn; Dana J. Harding; A. E. Wilkin; James Harrington; Antonio Zaccone; Joseph Sincevich; Gerald MacDonald, John De Costa; R. Alman; M. Fangino; N. Prato; E. S. Weymouth; J. Koochervok; L. De George; David Foley; John Noonan; Daniel Harrigan; Eugene Cox; John Sylvia; George White; Fred Schaffer; Walter Lord; Charles E. Lyons; Thos. Gould; Michael Gervino; Arnold Stelin; Percy Williams; Manuel Paiva; Sam Skinner; F. M. Hall; D. Kenneally; L. Murphy; Dominico Santirocco; Robert Canavan; Andrew D. Andrew; Daniel J. Keleher; John Brown; Henry St. John; Joseph Giannetti; Antonio Azereedo; Joseph Spooner; John Rausky; Stanley Hall; T. U. Pike; William Hunt; S. Donnelly; J. Brady; John E. Kelleher, 37 Reserve Street, Malden, Mass.; Chas. W. Aires, 56 Coffey Street, Mep. Dorchester; Pasquale Durant, 221 Havri Street, East Boston; Anthony Hondi, 204 East Eagle Street, East Boston; D. V. Eigo; Patrick Hogan; Francis A. Monahan; Frank D. Finneran; Hugh A. Cox; Frank X. Byrd; John J. Donahue; Angelo Gianetti; James Thompson; Alfred Sullivan; Ernest Sofia; Leslie Thoreault; Richard MacSwain; Joseph De Angelis; Edward Shaw; Edward Sonja; Engene Powell; Manuel Maura; William A. Noonan; Helen G. Lyons; John J. Maddin; H. W. McGrouch; Mary A. McLaughlin; Virginia Walden; George Brady; William F. Keating; James J. Rourke; Raymond A. Rourke; Anna E. Graham; Howard S. W

This is signed by 1,200 men who now have jobs, who are now being paid American wages, and who are now working under American labor standards. This is their petition to the Congress of the United States, not at the instance of the sugar lobby, but emanating from the workers themselves in an attempt to save their livelihood and support and protect their families. Mr. Chairman, I represent many of the sugar workers who have signed this petition. I believe it to be my bounden duty to exert my best efforts to protect their opportunity to earn a living.

Mr. Chairman, I ask unanimous consent that I may place this petition with the signatures on it in the Record at this point.

I am sorry that the time allotted to me does not permit me to further extend my remarks on a subject so vital to these workers. However, I urge the membership to vote down the Jones amendment, in order that these men and other sugar workers throughout the United States may have their means of livelihood safeguarded.

The CHAIRMAN. The Chair will state to the gentleman from Massachusetts that consent must be obtained in the House as to the matter of the petition.

The gentleman from Maryland [Mr. Lewis] is recognized for 10 minutes,

Mr. LEWIS of Maryland. Mr. Chairman, we have just heard portions of a petition signed by some 1,200 employees of the sugar refineries in the State of Massachusettes, who object to the imports of cane sugar when refined. The petition gives no information as to the American exports which will cease with the cessation of such imports or the connected reduction of employment here. The utter incompleteness of a single fact like that for constructive purposes brings to mind, perhaps, the most impressive statement I have ever read upon the subject of the tariff, and it has happened in my life that I have had to read a very great deal on that sub-

ject. The statement came from Sir Henry Sedgwick, one of the leading intellects of the nineteenth century, an economist and philosopher well known to a former generation. Sedgwick said he did not quite agree with the classical economists; that he thought he could imagine instances where a little protection placed here and a little protection placed there might work an advantage for the national economy; but what he could not imagine was a parliament of men with sufficient knowledge and wisdom to pick out only such instances for the privilege of tariff protection, and with sufficient strength of character, when the necessity for that protection might have disappeared, to withdraw the unrighteous privilege inexorably. [Applause.]

One of the great facts, though but lowly visible, impossible to evaluate in a discussion like this, is the effect on our exports. How many laborers in the United States, with such imports cut off, are going to lose their jobs because their products cannot be exported? There is a law of imports. There is a law of exports. Permit me to say it is not less valid, it is not less self-enforcing than the laws of Nature. Indeed, it is like Newton's third great law. You will all recall it; it is the simple law that action and reaction in the physical world are equal and opposite. The outgoing tide will equal the incoming tide. The incoming tide determines the extent of the outgoing tide. And we can no more repeal that great law of economics, whether we can now recognize its effects through the labyrinthian circumstances of commerce and industry or not, we can no more repeal that law than we can repeal the well-known laws of the great natural philosopher, Sir Isaac Newton.

But a highly visible and tremendously important element is involved. Certain moral values are concerned here. This Nation, like human beings, does not live by bread alone. It lives and it survives because its foundations rest on certain deep, strong, abiding moral principles. When you violate the principle of equal right and equality before the law with reference to your own citizenship, then you do it at a moral cost, the debt which will have to be paid some day. Paid by immediate revolt? Perhaps not. There may be no Washington in Hawaii. There may be no Adams in the island of Puerto Rico, but the great laws of God are there and ultimately will assert their consequences however much we may wish, for paltry, temporary, commercial, geographical, and indeed political, considerations, to violate them today. [Applause.]

I would invite your attention to an editorial found in the Baltimore Sun of yesterday. My fellow Democrats, you may accept the apostleship of the Baltimore Sun on this subject of the right of trade, of freedom of commerce, and of democratic principle in the matter of tariffs. It has fought desperate battles for the democratic principle at great cost to itself. On one occasion, the elders among you will recall, it even fought Arthur Pue Gorman, then a national leader and quite the political dictator in our dear old Commonwealth of Maryland; and it ultimately triumphed. The point to which the Sun particularly directs attention is the circumstance that in these restrictions we-and who are we? We are the democratic revolt of the United States, two-thirds of its people speaking-we Democrats are introducing a new kind of Grundyism. The old kind was directed against foreigners. It, at least, carried one element of fairness, a foreigner could retaliate with laws of his own, and did retaliate. This Grundyism proceeding from this side and producing its inevitable retaliations from other countries was a large factor in bringing about our terrible depression.

But the new Grundyism is directed against our own fellow citizens. Can they retaliate? We are striking down men we have disarmed. We have deprived them of the ballot. We have taken their lands and their homes and compelled them to accept allegiance to the United States, and then here on this day we would reward their ready acquiescence by a repudiation of the great principles upon which our Republic is founded. That is the new Grundyism as compared with the old. Do you think that our rebuke from the people will be less drastic, less certain than the rebuke which filled

this House with Democrats and emptied the House of its Republican membership? I think you are tempting political death if you follow and aggravate the occasion which the old Grundyism gave to a people to enter into a great revolt.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent that the gentleman may be given the time that was allotted to me.

The CHAIRMAN. Without objection the gentleman from Maryland will be recognized for 3 additional minutes, the time which was to have been allotted to the gentleman from Iowa [Mr. Biermann].

There was no objection.

Mr. LEWIS of Maryland. I need not say that to do this thing is to violate the great law of our birth as Americans, a principle which caused the United States of America to dissever itself from the greatest state authority at that time in the world. All our traditions teach us that no such violation should be committed, at all in modern times, by a country having colonies—that no such violation at any rate could be committed by the hands of a statesmanship with a background such as we of America boast.

When that occurred in Great Britain a Lord North, Prime Minister, occupied Whitehall and a crazy George gave him kingly support; but it is a happy thing to know today that we have a prime minister occupying our White House, a prime minister, Franklin Roosevelt, who rises in all the majesty of his might and office to protest against the doing of this thing. [Applause.]

[From the Baltimore Sun of Aug. 5, 1937] THE NEW GRUNDYISM

In the old days when the high protectionists of the Grundy school were in the saddle at Washington, they always professed to be fighting for the welfare of the American producer against the subversive competition of the dastardly foreigners. They asked for prohibitive tariff rates on the ground that such rates were nothing more than patriotic devices to preserve the home market for American producers. No such argument is possible on behalf of the new school of high protectionists who are supporting the sugar bill, to which the Rules Committee yesterday granted a preferred status on the House calendars.

The advocates of this bill are not seeking to defend the American producer against the foreigner. They are seeking to exalt one group of American producers at the expense of another group. They propose to do this not by the use of higher tariff rates but by quota restrictions, and they insist on applying the quotas not against foreign nations but against sugar producers in Hawaii and Puerto Rico, which are under the American flag, and in Cuba, which is within the American economic system. Hawaii and Puerto Rico have been American possessions for 40 years. Cuba has enjoyed preferential tariff relations with us for an equal period. We have encouraged capital to invest in these areas in the expectation that Hawaiian, Puerto Rican, and Cuban products would have easy access to our markets. Industry has been conditioned in those islands to this expectation. Neither Cuba nor Hawaii nor Puerto Rico can look to any country except our own as a market.

have easy access to our markets. Industry has been conditioned in those islands to this expectation. Neither Cuba nor Hawaii nor Puerto Rico can look to any country except our own as a market. We have not done this solely out of an altruistic regard for the welfare of those peoples, although some of us would like to think that altruism had a part in it. We have done it mainly because of the belief that if we allowed the people of Puerto Rico and Hawaii and Cuba access to our markets they would allow us access to theirs. This expectation has been justified. We have bought liberally from the people of these islands and they have bought liberally from us. Now the domestic beet- and cane-sugar producers and the domestic sugar refiners seek to throw a monkey wrench into the trade relationships which we have invited these people to build up. It is proposed in the new sugar bill to restrict imports of raw and refined sugar from our own dependencies of Puerto Rico and Hawaii and from a republic, which we have encouraged to take up a position within our orbit. To act in this manner would be a breach of faith, objectionable on moral grounds. It would be even more objectionable on the grounds of expediency.

For it would not only exalt American sugar producers at the expense of sugar producers in Cuba, Hawaii, and Puerto Rico, who have a right to expect better treatment from America. It would also exalt American sugar producers at the expense of American manufacturers now enjoying the benefits of profitable trade with those islands. The House and the country in general ought to be mindful of these facts in listening to the pleas of the spokesmen of the sugar interests who are demanding this sacrifice of our national advantage on the altar of the new Grundyism.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Maryland yields back 2 minutes.

Mr. MARTIN of Colorado. Mr. Chairman, a parliamen-

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN OF Colorado. I understood that the request for the additional 3 minutes was outside the allotted time.

The CHAIRMAN. It was taken out of the time of the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIERMANN. I understood the gentleman from Texas to ask when he sought to limit debate that those Members who were then seeking recognition were to get 5 minutes

Mr. MARTIN of Colorado. That is my understanding also. The CHAIRMAN. At that time certain Members had already indicated to the Chair that they wanted 5 minutes.

Mr. BIERMANN. Mr. Chairman, would it be in order to ask unanimous consent that all Members whose names the Chair has noted as having requested time on this amendment be recognized for 5 minutes each?

The CHAIRMAN. If the gentleman submits that as a request the Chair will put the request.

Mr. BIERMANN. I make that request, if it is in order, Mr. Chairman.

Mr. DIES. Mr. Chairman, may I inquire how many names the Chair has on his list?

The CHAIRMAN. There are 18 names on this list.

Mr. JONES. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. JONES. Do those Members all want to speak on this amendment? The only reason I want to close debate on this amendment is because there are two or three other amendments on which other Members want to be heard. I hope all the time will not be taken on this amendment.

Mr. DIES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it. Mr. DIES. Is it intended to finish the bill today?

Mr. JONES. Yes.

Mr. DIES. There is no necessity for our staying here until 7 or 8 o'clock tonight to finish the bill. Let us work on the bill until about 5 and come back tomorrow.

The CHAIRMAN. There are now 19 names on the list. including that of the gentleman from Texas [Mr. RAYBURN].

Mr. BIERMANN. Mr. Chairman, I withdraw my name. That will leave 18.

Mr. JONES. Mr. Chairman, can we not have all the amendments offered now that are ready to be offered and agree that all debate on the bill and all amendments close at 4:30, and then after the amendments are read let the gentlemen have their time and permit the other gentlemen to discuss their amendments?

Mr. DONDERO. Does the gentleman mean on subsequent sections of the bill?

Mr. JONES. All sections of the bill. The reading of the bill has been waived.

The CHAIRMAN. Will the gentleman state his request? Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all debate on the bill and all amendments thereto close at 4:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Colorado. Mr. Chairman, reserving the right to object, this is the same old story. We start out by being very liberal and permit Members to speak for 15 or 20 minutes. There are other Members here who are just as much interested and who have just as much at stake and who have just as decided opinions on this legislation as the gentlemen who have previously spoken. It is the duty of these Members to speak on this legislation whether they want to or not, and they will probably get shut out.

Mr. JONES. How much time does the gentleman want?

Mr. MARTIN of Colorado. We ought to have 3 minutes apiece.

Mr. JONES. If it may be agreed that the 18 whose names are at the desk may take 3 minutes, that will be satisfactory. I am trying to give everyone a chance to speak.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. JONES. Mr. Chairman, may I change my request and ask unanimous consent that all of the gentlemen whose names are on the list up there have 3 minutes, except the gentleman from Texas [Mr. RAYBURN], who may have 5

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. KENNEY. Mr. Chairman, I object.

Mr. JONES. I hope the gentleman will not object.

Mr. KENNEY. I withdraw my objection.

There was no objection.

Mr. MOUTON. Mr. Chairman, several months ago I introduced a bill which would have permitted the continental United States to produce sugar in unlimited quantities, and I am still of the opinion that there should be no restriction on the production of sugarcane and sugar beets in the United States.

However, I have yielded temporarily to the leadership of the administration in the House and to the Committee on Agriculture, not because I agree with the quota that has been assigned to the State of Louisiana, but because, in a practical sense, this entire sugar bill has been the subject of several various compromises. I have yielded, also, with the knowledge that this bill is only for a limited term of 3 years, and it is not, therefore, to be considered as the permanent policy of our Federal Government.

To present my credentials to this august body, I might momentarily digress to say that I represent the largest sugarproducing district in the United States, the Third Congressional District of Louisiana. I have spent my entire life in and around the sugarcane fields down there and I feel that I am particularly qualified to speak on this subject as only one who has spent many long hours on the grounds studying the different phases of the situation can speak. Sugar is the "yellow gold" from where I come. We live, sleep, and, with no intention of being ludicrous, eat sugar. Sugar is our lifeblood-and we will call on every resource at our command, stop at nothing-to make our fellow American citizens realize that they must not stop our lifeblood without immediate annihilation to us and ultimate disaster to them-

The history of our sugarcane industry is studded with color and interest. To trace it to its origin takes us back over the years, to be specific, to the year 1751, during the time Louis XV graced the throne of France and numbered Louisiana among his colonies. Sugarcane was introduced to our soil in that year, the records disclose, by the Jesuit missionaries, who brought some stalks of this heretofore unknown plant from Hispaniola to the beautiful land of the new colony as an experiment. From that time henceforth, throughout the years, cane has flourished in Louisiana. One hundred and eighty-six years of experience lie behind the cultivation of that plant. While it is not a native plant, the study and attention it has received has resulted in its becoming our largest agricultural crop. Yes; we have been beset with calamities in the form of devastating crop diseases, floods, and other set-backs, but that has only resulted in our eradicating the evil and surging forward with a never-say-die spirit. New and scientific varieties of cane have been developed over the years, where today we have the largest yield of sugar per acre ever produced.

We have also kept step with the times in paying livable wages. Of course, by its very nature, the industry is a seasonal operation, but, during the time of harvesting and processing, it affords employment to countless thousands, and all are paid a livable scale of wages. This scale has been rising and rising over a period of years, and that brings us to the crux of our problem, namely:

We need protection against competition from offshore areas where peon wages are the order of the day, and, naturally, ruinously low prices prevail.

Mr. Chairman, the quota system of protection instituted by the present administration when first assuming office is perfectly adapted to our problem. It was first placed in effect in the Agricultural Adjustment Act and subsequently carried on in the Jones-Costigan Act of the Seventy-fourth Congress after the invalidation of the A. A. A. by the Supreme Court. It is well recognized by all who are familiar with the sugar situation that it has proven more efficacious and efficient than the tariff system used by past administrations.

Under this bill in its present form the States of Louisiana and Florida, the only two continental sugarcane-producing areas, are allotted a combined quota of 420,000 tons. Louisiana alone, and I quote from the record, produced 386,000 tons of sugar last season and is on the way, from all indications of the crop now in the ground, to producing 425,000 to 450,000 tons during the next season. Obviously, anyone can see that a quota of 420,000 tons combined with Florida is an inadequate figure, but we have presented our case in committee and after much discussion have come to the conclusion that such a quota for the life of this legislation, which, as I have pointed out, is 3 years, is acceptable. We have by no means altered from our contention that the figure is inadequate-which will be borne out by future events-but, realizing that the entire problem is alive with complexities and throbbing with divergent interests working at crosspurposes, we have agreed to the reduced figure and will support this bill.

In connection with the quota allotted to our State it should be pointed out that the Resettlement Administration, which is now a branch of the Department of Agriculture, has financed and encouraged hundreds of farmers in the State of Louisiana to plant sugarcane on an estimated acreage of 15,110 acres in 21 different parishes. Furthermore, definite information is at hand indicating the doubling of this rehabilitation program. This alone will mean an increase of from 50,000 to 60,000 tons of sugar, since the plantings are all of the new seed variety. Therefore it must be evident to all of you that while Louisiana appreciates the improvement in its quota, it cannot by any stretch of the imagination be considered as adequate or satisfactory.

Nevertheless, everything being considered, and recognizing the difficulties that have faced the fair-minded and very efficient chairman of the Agriculture Committee, my colleague the Honorable Marvin Jones, and in further view of the fact that this is a bill for only a limited period, which will give us the opportunity to have our industry considered on the basis of its full production when the time comes for continuing the sugar program, it is my intention and that of the entire House delegation from my State to support the committee in the passage of this bill.

Coming from the cane-growing area of my State, I might point out that my interest and duty alone is to see that my people are protected. I bear not one iota of animosity against any particular area, or group, or offshore interest—only when they jeopardize my people's livelihood. The other various quotas written in this legislation appear to me to be in harmony with the scheme of the quota system, as do the other features, of which there are many, pertaining to the operation of this program.

Mr. Chairman, I do sincerely appeal to the membership of the House to give serious thought to this proposal which has been finally worked out by your Committee on Agriculture after many, many months of minute attention under the leadership of their very able and considerate chairman. They have probed and dug into the very meat of this issue and have finally emerged with this bill as representing their true conception of the solution to the enigma. It will preserve the continental sugar industry for the present, although, as I have already shown, will not permit us to recul-

tivate and gain back the acreage which has fallen into discard over the depression years. Nevertheless, it will prevent us from being destroyed, with a resultant throwing open of the doors to foreigners and the creation of a Frankenstein condition with sugar ranging anywhere from 10 to 30 cents per pound during times of stress, when we are at the mercy of such interests; a situation which is no doubt indelibly impressed upon the minds of those who are familiar with prices during the World War.

I hope and trust that you will not falter in lending your support to this measure. It is a fair-minded piece of legislation designed to redound to the best interests of our entire country and is well deserving of your approval.

Before concluding, Mr. Chairman, I would like to ask unanimous consent that I be granted the privilege of revising and extending my remarks on this subject.

Mr. LANZETTA. Mr. Chairman, following my query to the gentleman from Michigan, I do not think that any Member of this House can in all seriousness contend that there is no discrimination against Puerto Rico in this bill as it now stands, with respect to direct consumption sugar. The argument which some of the Members have interposed, who are opposed to the Jones amendment, that the continental refiners are also restricted in the manufacture of direct consumption sugar does not hold water.

In this connection I wish to read part of a statement made by the Secretary of the Interior, the Honorable Harold L. Ickes, wherein he says:

The fact is that the supply of raw material for the seaboard refiners has increased under the quota provisions aggregating 4,514,000 tons in 1936 as compared against 4,129,000 tons in 1933, the year prior to enactment of the Jones-Costigan Act. The quota system does not "shut off" but adjusts the supply of sugar available for the United States market in accordance with consumers' requirements. This stabilization is in the interest of the refiners. The quota system also protects the seaboard refiners in the extraordinary form of an embargo upon shipments of refined sugar to the United States in excess of a stated quantity, from the principal competing foreign country which is limited under present legislation to a quota for direct-consumption sugars of 22 percent of the sugar quota. And the refiners also have protection from importations of direct-consumption sugars from the Philippines under the provisions of the Philippine Independence Act. They have been given protection by quotas against increased importation of liquid sugars which in some areas and in some industries has tended to replace ordinary commercial refiners' sugar.

The subsidy of the 14 American seaboard refiners on their deliveries of sugar for domestic consumption under the quota system aggregated \$22,738,000 in 1936, the margin which the refiners exacted from the American consumer exceeding the margin on sales of refined sugar abroad by this amount. This is equal to a subsidy of about \$1,600 for each person employed by the refiners, as against an average annual wage per employee of only \$1,005, according to the last census figures.

Never satisfied, the refiners are seeking to obtain further protection in the form of a trade barrier against Hawaii and Puerto Rico, a form of protection that was not even suggested under former high-tariff administrations in the days of Smoot and Grundy. And they are seeking to slip it over in an agricultural bill rather than introduce it as a piece of manufacturers' legislation and permit it to be considered and judged on its own merits. Why does this monopoly demand this special privilege and unceeded protection?

Why does this monopoly demand this special privilege and unneeded protection? Simply because they want to dominate, to control, and to get richer and richer at the expense of all of the people. Their disregard for the consumers' interests has been demonstrated repeatedly, culminating in a decision last year by the United States Supreme Court in which the refiners were found guilty on 40 different counts of conspiring to restrain commerce in sugar.

In view of this statement and what has already been said on the floor of this House, I repeat that no Member can seriously contend that Puerto Rico and Hawaii are not discriminated against when they are limited as to the amount of direct-consumption sugar which they can send into the continental United States.

I shall vote for the Jones amendment and trust that the membership of this Committee will also support the chairman of the Agriculture Committee. By agreeing to this amendment the Congress of the United States will assure the American citizens who reside in Puerto Rico that in the future they will receive at the hands of the Federal Government the same treatment as the American citizens who reside in continental United States.

Mr. PETTENGILL. Mr. Chairman, it is entirely clear to me that President Roosevelt is right in this matter. The parts of the bill sought to be stricken out by the Jones amendment, which I shall support, attempt by statute to deny to an American citizen access to the American market. This is a violation of sound constitutional principle. It puts in reverse the historical development of this country for 150 years. It creates a precedent which will be seized upon in later years by those interested in commodities other than sugar. Those supporting the bill in its present form in behalf of sugar today will in the future be the victims of the precedent which they are creating.

This carries us back to the conditions that preceded the American Revolution and attempts to impose upon Americans of today the same species of legislative discrimination which our ancestors fought a war to free themselves from. When that war was over, the representatives of those who had suffered from these conditions met to write the Constitution of the United States and to form the more perfect Union which came into being with the adoption of the Constitution. It is probable that there was no single influence which had greater weight in 1787 toward causing our fathers to scrap the Articles of Confederation and form the Constitution of the United States than the tariff walls between the Colonies. The Court's opinion in Gibbons against Ogden was written by men who in their own lifetimes had experience with those conditions. In that case one may find this language:

If there was any one object riding over every other in the adoption of the Constitution, it was to keep the commercial intercourse among the States free from all invidious and partial restraints.

Under the confederation the restraints on the free flow of commerce between the Thirteen Original States were many and vexatious. Nearly every State erected tariff walls against its sisters. Each tried to build up its own economy at the expense of the others. And it may be doubted whether any factor has contributed as much toward building this Nation as the fact that "commercial intercourse among the States" has been kept "free from restraints imposed by each State upon the others." As a result each State has not only had a free national market for its own goods but in turn has been able to buy what it cannot itself produce wherever it could buy cheapest. In other words, each State has had the benefit of the cheap producing costs of the other States. This has constantly lowered the cost of goods to every American citizen and thus given a greater measure of general prosperity than any other nation ever achieved. All this is commonplace. One State grows cotton and buys wheat. Another makes automobiles and buys gasoline.

Now, when the States surrendered to the new Government under the Constitution the power which they previously held to regulate commerce, is it to be supposed that they intended the grantee of that power—Congress—to use it or permit it to be used to build up the industry of a State—whether petroleum, coal, wheat, automobiles, or cotton—at the expense of the others? When a State gave up its power to exclude the goods of other States in exchange for a surrender by a sister State of a like power to exclude the goods of the first, can it be assumed that Congress was to prohibit what the States gave up the right to prohibit?

But now we are reversing all this. We propose after 150 years to again erect statutory dams against the flow of commerce among our citizens. This is the beginning of a new competition. Heretofore we have had competition between members of the same industry; we have had competition between different industries for the consumer's dollar; the automobile competing with the radio; but now, under a revival of medieval mercantilism, we are entering into a new competition between American citizens as to which group can command the greatest number of votes in the National Legislature for its advantage and to the disadvantage of other groups.

There are not less than 10 provisions in the Federal Constitution designed to give to each American citizen a free national market among all other American citizens. Many of these provisions are prohibitions against acts by the States; but, as I have said, can it be supposed that the States, when they give up the right to discriminate against American citizens living in other States, intended the Congress of the United States to impose such discriminations?

The Republican Party, during a long period of years, built up a protective-tariff system, but they did it against aliens and not against American citizens; and, whatever may be said in criticism of the protective system, it was at least fair in the sense that the foreign nation could enter upon counterbalancing reprisals against us.

Today, however, we propose to adopt a new Grundyism, as referred to in the Baltimore Sun of yesterday, which makes the old Grundys and Penroses look like amateurs.

One may give whatever consideration he desires to special interests in this bill, but it is unsound in principle, and I do not believe that a principle which has been demonstrated to be sound and beneficent in the building up of this Nation for 150 years can be violated without in the long run producing disastrous results. If you are going to deny to American refiners located under the flag equal access with all other refiners to the American sugar market, then by the same token any similar discrimination is equally valid, and it will all depend upon who has the most votes in the National Congress. If this is right, then the cane- and beet-sugar industry of America, if they have the more votes in Congress, can deny access to the American market of the maple-sugar industry of this country. If this is right, then the apple growers of Virginia and New York and New England, if they have the superior voting strength here in Washington, can deny the national market to the apple growers of the Northwest. The same thing would apply to petroleum, coal, wheat, cotton, automobiles, farm machinery, anything else.

It should be recognized that we are introducing a new principle in our commercial life—the principle of industrial quotas; the principle of denying to certain producers access to the American market which is granted to other producers. It is a denial of equal privilege and the equal protection of our laws. It is sectionalism, pure and simple, as the gentleman from New York [Mr. Wadsworth], the gentleman from Texas [Mr. Maverick], and the gentleman from Ohio [Mr. Harlan], and others have stated.

It may be a debatable question whether Hawaii or Puerto Rico should ever have come under the American flag. Nevertheless, they are here and they are here by our invitation. We expected to gain certain advantages by reason of bringing them under the American flag and we must take the responsibilities that go with the advantages.

It is probable, however, that in the long run no real disadvantage will accrue to this country by permitting our island possessions from developing and prospering through the marketing and processing of their goods. To the extent that they become prosperous they become the purchasers of our automobiles, plows, machinery, shoes, clothing, and so forth. If they do not sell they cannot buy and it cannot be forgotten that the loss of export trade puts out of employment a worker on the American mainland who would otherwise have made the goods for export just as surely as imports may tend to compete with American labor.

But however true this may be with reference to business with foreign nations, surely we cannot by statute discriminate against some of our own citizens in favor of others.

I am going to support President Roosevelt in this matter. I think he is absolutely right. We will rue the day we start a precedent in this country of denying any part of the American market to any American producer, wherever he lives under the Stars and Stripes. [Applause.]

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I think we have lost sight of what we are actually debating here. Some of the remarks gentlemen have recently made are addressed to the principle of the quota, rather than the amendment before

us. I served on the Committee on Agriculture in 1934 when the Jones-Costigan bill was written, and I know just how hard a time we had in trying to arrive at some suitable method of taking care of the sugar industry of this country, which was not only depressed, but on the road to ruin. Now, when it is on the upgrade, our friends forget what the situation was then and object to an extension of the principle of the original Jones-Costigan bill. The quota system put the sugar industry on the upgrade.

There has been talk this afternoon about discrimination. If you now abandon the principle of the Jones-Costigan bill, which provided for these same quota restrictions with regard to Hawaii and Puerto Rico, you are discriminating against your beet and cane-sugar producers

and refineries of continental United States.

The essential feature of the quota system is restriction of the entire industry. It is based on annual consumption of sugar in continental America. It prescribes as a part only of the system the total volume of sugar which may be refined in Hawaii for shipment to the continent. The amount fixed is more than ever heretofore made by Hawaii. Shipments of refined sugar from Hawaii elsewhere are uncontrolled. As I endeavored to develop this morning by a question to the Member from Texas [Mr. Kleberg], the total quantity of raw sugar available for refining in the continent in effect limits the amount of refined sugar that may be produced to approximately 60 percent of the capacity of continental plants. Certainly under these circumstances, the refining sugar features of the system are more liberal to Hawaii than to the continent.

The pending bill is based on the continuation of the quota system which is now in existence. Any effort to change it, such as by the adoption of the Jones amendments, would disturb the entire continental beet and cane-sugar industry.

Moreover, it must be remembered that this bill proposes the payment of benefits to sugar producers which are financed by subsidies provided by the grower, refiner, and consumer of continental United States. The raw-sugar producers of Hawaii and Puerto Rico are today maintained by these subsidies, and it certainly would be discrimination not only against the beet and cane grower, but the American consumer, to give the Hawaiian refiners an opportunity to expand their refining from an incidental to a major pursuit.

Possibly I should not have taken time today to discuss this question, since my position on this matter has been well known ever since I served on the Committee on Agriculture, if it had not been that one of my colleagues from California [Mr. Dockweller] yesterday afternoon gave the House the impression, perhaps, that California was not for this bill. Whatever his personal views may be, the fact is that a meeting of the California delegation was held not long ago at which, a majority of the delegation being present, it went on record as favoring the principle of the bill as written with the refined sugar quota restrictions on Hawaii and Puerto Rico.

There is no State in the country which is more interested in the preservation of the present sugar situation than the State of California. In 1936 we harvested 1,939,000 tons of sugar beets. The average price for the crop was \$5.81 a ton, making a total payment to the farmers of \$11,265,590. Add to this the items for fuel, bags, freight, other supplies, equipment and installations, taxes, brokerage, insurance, and so forth, which amount usually to about 150 percent of the bare cost of beets, amounting to approximately \$17,000,000. Thus, the total cash turnover in the industry of sugar-beet growing and processing for California alone in the 1936 crop would amount to more than \$28,000,000. Our beet producers need the protection of the quota system to keep their industry alive and effective. The quota system, plus a reasonable conditional payment raised, as provided in this bill, from the industry itself and not from the Federal Treasury, can place us on a parity with other industries which are protected by high tariffs, on a parity with labor which is protected by immigration restrictions, and so on. Unless this quota system is continued, together with the payments and continued on approximately the basis of the Jones-Costigan Act, the sugar-beet industry faces disaster. The amendments proposed by Chairman Jones go to the heart of the situation, and in effect, if adopted, will destroy that which he and I and the other members of the Committee on Agriculture labored so hard and earnestly to bring about in 1934. For that reason, much to my regret, I must oppose my former chairman and ask that these amendments be rejected.

Let me say one more word: The beet-producing farmers, when added to the men who are employed in the sugar refineries, from not the insignificant number, if it be such, of 12,000 or 16,000, which you heard ridiculed this afternoon, but a very, very large and important portion of the population of the United States. But it is not so much a question of how many workers or farmers are involved, or what acreage they farm, or of capital invested, as it is a question of preserving the buying power of both laborer and farmer; of continuing the right of our continental Americans to work and farm in an industry that does not deserve to be outlawed or wrecked; of maintaining undisturbed an arrangement that has brought prosperity even to those who now want to scrap the quota system. No one can deny our sugar industry, including that of Hawaii, is in a favorable condition. The only question is, Shall we take a chance and change it. As one who helped frame the original Jones-Costigan law, as a Representative of a great farming district and the great farming State of California, I refuse to take that chance and propose to stand by the bill as it is written in respect to these refined sugar quota provisions. I not only hope that all the other Members of the California delegation will do so, but that an overwhelming majority of the House will defeat the proposed change.

Mr. MARTIN of Colorado. Mr. Chairman, I want to say a word about the great need for this legislation.

This bill is virtually a continuance of the Jones-Costigan Act, with no substantial changes. The quotas are substantially the same and the tax the same. The Jones-Costigan Act was based on the principles of the A. A. A., with such adaptations in technique as fitted the particular industry. It was based upon the A. A. A., just as was the cotton bill, the tobacco bill, and the corn-hog and other measures which pulled agriculture out of the hole in this country.

In my State the beet-sugar industry was not merely stabilized, it was saved from destruction, and what is true of my State is true of other States. Before the passage of the Jones-Costigan Act the factories were operating at a loss. Farmers were getting less than the cost of production for their beets. Laborers were getting less than a decent day's wage. The payment of dividends had been suspended. Since the passage of the Jones-Costigan Act the companies are again out of the red, again making profits, again paying dividends. Farmers who were getting \$4.50 a ton for their beets, less than the cost of production, have been getting \$6.50 to \$6.75. Labor, which was getting only \$12 to \$13 an acre for the cultivation of beets, has been getting \$18 to \$19 an acre, which is a record price for labor in the beet fields. Children have been taken out of the beet fields.

This legislation has been so successful it is not questioned here. We have fussed here all day about a little drib of quotas to a couple of small islands. The highest testimonial to the success of the sugar legislation is that it is not questioned that the legislation has been a success, insofar as the industry is concerned. It was prostrate, now it is prosperous.

Mr. Chairman, all this has been accomplished at an extra cost to the consumer so small as to be negligible. I am going to undertake to prove this statement by figures taken from the mouth of an enemy of domestic sugar. I have in my hand a clipping from the Washington Post, in which one of its special writers on economic matters, criticizing the message of the President to Congress recommending substantially the reenactment of the Jones-Costigan bill, condemned the legislation as having robbed the consumer, and then sets out the figures to show how much the consumer has been robbed.

It will be interesting to first read three or four sentences from these statements before giving the figures.

Says the correspondent:

Like all price-fixing schemes, the Jones-Costigan system has militated against consumers.

There is less justification for the sugar quota system than there is for many other price-fixing schemes. In this case the American consumer is overcharged for sugar for the benefit of a very small segment of the country's population engaged in a concededly uneconomic undertaking.

He also says:

President Roosevelt, in his message to Congress, indicates that realizes that the American consumer has been rooked out of millions of dollars in sugar prices.

Now let me give the writer's own figures to substantiate the foregoing and similar statements, which bestrew a twocolumn article.

The average price for 1933 was 5.4 cents a pound. For 1934 it was 5.6 cents. For 1935 it was 5.7 cents.

And for last year (1936) it was 5.6 cents.

Then he immediately follows these figures with the astonishing statement:

Instead of the price to the consumer going down, it actually

He shows that the average price of sugar in 1933 was 5.4 cents a pound. This was before the Jones-Costigan Act and at a time when the consumer did not have the 5.4 to pay.

He then shows that in 1936 the average price was 5.6 cents a pound. In other words, he shows that under 3 years' operation of the Jones-Costigan Act-1934, 1935, and 1936-the average market price of sugar had gone up one-fifth of a cent a pound.

When you consider how everything else had gone up during the same period, including ability to pay, it strikes me that the price of sugar had actually gone down. I doubt whether any major product, either of agriculture or industry, can show such a slight increase in price during that period of time. If the price increase in sugar were taken as an index of recovery, it would be a conceded failure.

It seems to me that the industry is worth preserving even at a greater increase than one-fifth of a cent a pound. On the basis of our annual sugar consumption, which is about 100 pounds per head, this would be 20 cents per head a year. For this trifling increase a domestic industry has been pulled off the rocks and stabilized and made profitable for the processor, the grower, and the worker.

These results would appear to justify fully the statement in the President's message that-

The Jones-Costigan Act has been useful and effective, and it is my belief that its principles should again be made effective.

The principles of the Jones-Costigan Act are made effective in the bill before the House. My only regret is that other farm legislation, to restore the principles in other farm legislation which went out under the decision of the Supreme Court on the Agricultural Adjustment Act, and particularly the cotton and tobacco legislation, is not before the House. When such legislation comes before the House again, and I am ready to stay here until it does come before it, it shall have my cordial support, as it had before.

Mr. Chairman, I am no new recruit to the cause and need of crop control. On the floor in the debate on February 26, 1935, on the bill to make rice a basic commodity and place it under the Agricultural Adjustment Act, I said:

The farmers must regulate the output and marketing of their products and stabilize prices if they expect to preserve the agri-cultural industry in this country and get anything out of it.

On the occasion of the repeal of the cotton, tobacco, and potato acts, February 7, 1936, following the invalidation of the Agricultural Adjustment Act, I expressed my views about not only the benefits but the necessity of those acts to the great agricultural commodities involved in the strongest possible language.

From my remarks on the floor on May 26, 1933, I quote the following statement:

The displacement of labor, both skilled and common, by the machine, is so obvious that it is known by the man in the street. It is less obvious, but none the less true, that the machine is putting the farmer out on the highway as rapidly as the laborer.

The following paragraph is from remarks on the floor, August 5, 1935:

Production in both industry and agriculture must be regulated, and they can be regulated only through the exercise of national

And on January 23, 1936, the following:

Permanent large-scale unemployment in industry and surpluses in agriculture are fixed conditions in our economic life. The sooner the American people face and admit these facts, the sooner we may work out an answer to these problems.

A final quotation is from remarks made on the floor in support of the Bankhead cotton bill when it passed the House on March 17, 1934, although I might quote many other statements:

The Agricultural Adjustment Act is based on recognition of the fact that the mass production made possible by the machine must be controlled and regulated so that supply may be kept somewhere in the bounds of demand, while at the same time the producer gets at least the cost of production plus a reasonable profit out of his production and his labor.

Now the acts passed by Congress to regulate production and stabilize prices have been swept from the statute books. while Congress and the country are confronted on a major scale with the problems which that legislation undertook to solve. There is virtually a farm-bill panic on in Congress. Corn, wheat, cotton, tobacco, rice, and potatoes are in the surplus class for 1937. Bumper crops are coming and the market is breaking down even before they get here. What the President said in his opening message to Congress regarding N. R. A. is equally applicable to agriculture:

The statute has been outlawed. The problems have not. They are still with us.

A Washington paper advises Congress to let nature take its course. It would be a valuable, if expensive, lesson. My views being long since fixed, I do not feel that I need the lesson, and I am in favor of crop control legislation now.

That is exactly what this sugar bill is, and everybody knows that unless this legislation is enacted the 1938 sugar situation will be what the 1933 situation was. You had just as well say that shoe factories cannot produce more shoes than the people can wear, or that any branch of industry in this country today cannot turn out a surplus product, as to say, given a normal season, that agriculture cannot turn out surpluses which will break down the market and send crop prices down to where they are not worth the cost of planting, harvesting, and marketing.

Mr. KENNEY. Mr. Chairman, I hope the Members of the House will not be confounded by the charges of discrimination that have been raised here with respect to Puerto Rico and Hawaii. There will not be any difference of opinion among the membership if they will bear in mind that the sole purpose of the bill is to preserve the existing status of all the parties concerned. This is what the bill does, and it does not discriminate in any way. There is no discrimination in favor of the domestic refineries in the United States. They take what is left after the refined sugar has been parceled out to the islands. Puerto Rico and Hawaii have become opportunists. They have raised the technical question of Americanism. What do they want to do? They want the opportunity of taking away from the States the refining industry and in time the whole sugar industry. If we vote down this amendment, the amount of refined sugar that will come in will not affect our American labor and we will at the same time protect our present standard of living. If you vote this amendment up, you will take away 2,100,000 tons of refined sugar, which will be refined in the islands, while we will only refine 3,000,000 tons here.

We have been told that it might be wise to allow this to be done, but if you allow this to be done, as the gentleman from Texas [Mr. Kleberg] has said, the market will go down to the islands and not only the cane growers and cane refiners will lose but the beet growers and the beet refineries will suffer irreparably and eventually we will have no sugar industry in the States of the country.

We must, first of all, protect our labor and, secondly, have thought of the matter of national defense. Do you want sugar, a necessity of our lives, to be cut off altogether from continental United States and do you want to have us at the mercy of an island sugar market?

O Mr. Chairman, we are going to be told again that it is wise to vote to let this come to pass, but it is the most unwise policy, in my opinion, that the Congress could adopt. Let us be sane, let us be sensible, let us preserve the status of these people and let no opportunist arise to destroy our markets. Let us be real Americans. It was not on account of any issue like this that the American colonies fought against the mother country. The mother country did not want to preserve an existing satisfactory status. She oppressed and exploited us. It was not at all a similar case, and I am surprised that some of the gentlemen here stand up and undertake to draw such a comparison.

Vote this amendment down.

Mr. HILL of Washington. Mr. Chairman, I have quite a number of beet growers in my district and also a number of refineries. I do not want to injure them and I am certainly in favor of farm legislation. I have also always been in favor of labor legislation, but I think the gentleman from Kansas [Mr. Hope], has proven that the adoption of this amendment will not injure either the farmer or the laborer very materially.

I also listened to our friend, the gentleman from Maryland [Mr. Lewis], and I believe the moral side of this question is very important, living on the coast we are interested in the matter of exports, because we export a great deal to Hawaii.

However, I am supporting the amendment for another reason, which has been touched on by only three or four Members, and that is the constitutional issue involved. Who is Mr. King? He is the Delegate from Hawaii representing here citizens of the United States. Who is Mr. IGLESIAS? Is he not the Commissioner representing the citizens of Puerto Rico, and I challenge any Member of the House to produce any proof that there is any constitutional ground for these provisions which the Jones amendment would eliminate being in the bill. We should treat the citizens of Puerto Rico and Hawaii the same as we treat the citizens of the States of New Mexico, Texas, or Washington. It is true that these men are only Delegates without a vote. But the same was true regarding the Delegate from the Territory of Washington before it became a State or any other Territory before statehood. It seems to me that from the constitutional angle we must recognize the fact that the men and women in the islands of Puerto Rico and Hawaii are citizens of the United States and, as such entitled to the same privileges and rights as we are.

I was against the policy of imperialism when we took over Hawaii and when we went into the Spanish-American War, resulting in the acquisition of Puerto Rico. I believe, however, when we take the flag into foreign lands and take charge of such islands or countries, we should not only receive the benefits that accrue to the monopolies of this country, but also assume the responsibilities that we, as American citizens, owe the citizens of Puerto Rico and Hawaii, and any other possessions where citizens of the United States live. We have no moral nor constitutional right to exploit these islands and then discriminate against them.

So I shall support the amendment from this angle and I believe it will do away with any constitutional issue involved.

The gentleman from New York [Mr. Wadsworth], whom we all respect, said he did not know whether this is constitu-

tional or not. He stated that as a layman he did not want to pass on the constitutionality of any proposed legislation. I think he is seriously in error in this matter. He is a Member of this legislative body the same as the rest of us. This is not a technical question of law. The Constitution is plain as to the rights of States and Territories and the prohibition on Congress to levy a tariff or quotas or restrictions against States or Territories. Even a layman can read the plain language of the Constitution in this regard. It is time that we. as Members of Congress, determine whether or not the measures we are considering for enactment are within the Constitution and not pass it up to the courts. If we did our duty in this matter, there would be no necessity for the Federal courts to usurp this prerogation of the legislative branch of our Government. But when we supinely pass legislation to favor certain groups or certain sections without any regard for the Constitution, or the "general welfare" of all the citizens of the United States, we invite a veto, and deserve to be retired by the voters who sent us here. [Applause.]

Mr. MANSFIELD. Mr. Chairman, we have heard some able arguments against this bill on the question of quotas, and all those arguments apply with equal force against the bill, whether it has this provision in it or not in regard to refined sugar. The bill has quotas, and those quotas have been put in there for the protection of Hawaii and Puerto Rico, as well as for the protection of the beet growers, the cane growers, the refiners, and the consumers of continental United States. We are told that there is discrimination in the bill against Hawaii and Puerto Rico. The truth is they will ship just as many pounds of sugar into the United States if these paragraphs are left in the bill as they will if they are taken out of the bill. The bill does not discriminate against them. They will ship the same quantities of sugar here as they do now. The only difference will be whether or not a larger proportion of it will be refined in Puerto Rico and Hawaii.

If my information is correct, the major portion of the refineries in Hawaii and Puerto Rico are owned by men in the United States. They have recently been established there, only for a few years. A few years ago they were not there, and they were established in order to take advantage of cheap labor, and they have displaced that much labor here in continental United States. A few years ago I was in Puerto Rico, and the distinguished Chairman of this Committee of the Whole House was there with me at the time. He and I are the only Members of this Congress who were together on that occasion. I visited every central or sugar factory in Puerto Rico at that time, and there was not then a single refinery in Puerto Rico. They shipped all of their raw sugar to the United States. The elimination of the provision covered by the amendment will affect no one but the refiners in Hawaii and Puerto Rico, and it is for their benefit alone. It will not change in any degree the amount of sugar that will come into the United States. It is not, therefore, in the interests of the grower or the consumer.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BIERMANN. Mr. Chairman, when this measure was before the Committee on Agriculture we had testimony from all of the interested groups that might be affected by the legislation, and we also had testimony from the governmental departments concerned; and out of it came the bill that is before us. During the course of discussion and argument back and forth on the bill, the attitude of the departments-the Interior, Agriculture, and State-was talked of, and members of the committee went down and talked to representatives of those departments, and the upshot of the whole thing is this: We can say, I think certainly, that if paragraphs (a) and (b) of section 207 are left in the bill the President will veto the bill, and that means that we will have no sugar legislation, and that means in turn that the only beneficiaries of what we do here will be the sugar refineries along the eastern coast. They benefit if we get no bill, and, of course, they benefit if we leave these

two subsections in the bill. But if we leave them in, we will get a veto by the President of the United States, and that will wreck the beet-sugar industry. There is not a beet-sugar man in this House who does not know that if we fail to get legislation out of this bill it will wreck the beet-sugar business in the United States. As the gentleman from Colorado [Mr. Martin] said, sugar beets were selling for \$4.50 a ton in 1933, and now they are selling at a reasonable price. They will go back to \$4.50 a ton unless we get some legislation out of this bill, and the only way that we can do it is to support the amendment of the gentleman from Texas [Mr. Jones].

Mr. DONDERO. Mr. Chairman, will the gentleman yield? Mr. BIERMANN. Yes.

Mr. DONDERO. How will it destroy the beet-sugar business of the country if this bill is vetoed?

Mr. BIERMANN. It will throw the business back to the position it was in before we had the Jones-Costigan Act.

Mr. DONDERO. Will the foreign possessions bring in any more sugar than they are bringing in now?

Mr. BIERMANN. If we do not get this legislation by December 31, we will be in the same shape we were in before the original Jones-Costigan Act, when \$4.50 a ton was the price for sugar beets. The beet-sugar business is dependent on the quota system. Without quota legislation, the beet-sugar business is doomed. The only way to get the legislation at this session is to support the amendment that we have before us.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CRAWFORD. Mr. Chairman, those who have invested money in seacoast refineries and the management of those refineries necessarily want free trade in sugar. That is a fundamental fact that no refinery spokesman has dared to deny. With free trade, more sugar will be refined at the seacoast refineries than on any other basis. That means more work for American workers in the big refineries on the seacoast. It would also mean less work for American workers on the farms, in the beet-sugar-growing districts, and the beet-sugar plants which are not refineries by any means. Free trade does not mean work for people in the American transportation system and other related activities in the domestic-sugar industry. The greatest calamity for the beet-sugar industry would be to have this bill fail because of a veto and be asked to go back to a free-trade basis.

No refiner's representative dare refute that statement. When we vote down the amendment, we cast the die. But it is not at the cost of the refinery or of the refinery laborer. It is at the cost of the laborer in the interior of the country. When you kill the domestic-sugar industry in Hawaii and kill it in Puerto Rico, you automatically and simultaneously kill it within the United States, but you do not hurt the refiner on the seacoast and you do not hurt the laborer who is in that refinery. The position of the two groups is dissimilar. One thrives on free sugar; the other group dies.

The question is this: If the President vetoes this bill and we have adjourned in the meantime, or fail to pass it over his veto, there is no legislation. That helps the refinery. That helps the labor in the refineries. That brings about virtually free trade—only \$1.50 against Cuba. That is the situation we face. The fellow from the beet territory has to go along with the beet grower who says "I want the amendment killed." That is the fact. Getting legislation passed is not a science. It is a practical horse-trading proposition. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

WE SHOULD NOT DISCRIMINATE AGAINST HAWAII, AN INTEGRAL PART OF THE UNITED STATES

Mr. TOLAN. Mr. Chairman, I do not think we realize the importance of this sugar bill to the Pacific Coast States. I do not mean to our beet farmers, but to other farmers and to our industries and factories.

Hawaii lies 2,000 miles off the Pacific coast. If it were part of the mainland, no one would ever urge that it be

treated any differently than any other part of our country. But simply because it is separated by blue water from the rest of our territory, some of us seem to think it is all right to discriminate against its citizens, in favor of some other part of our country. No one would ever have thought of doing that to Oklahoma or Arizona when they were Territories.

Hawaii is not so far away as one would think. Five days by steamer from San Francisco; 16 hours by regular airplane service. One can travel from Honolulu to New York by air in less than 36 hours. And when our Constitution was adopted it took a week to travel from Boston to Philadelphia.

What do we on the Pacific coast owe to Hawaii? In the first place we must look to it for protection from oriental aggression. It is our military outpost in the Pacific, and upon its defense rests the safety of San Francisco and Seattle, and all of our great seaboard cities. The Panama Canal would fall easy prey to an enemy in the Pacific, were it not for Hawaii, from a military standpoint.

Then also, it is the crossroads of the Pacific, and its harbor is our greatest asset in gaining and holding Pacific trade. It also furnishes a landing field for trans-Pacific airplanes. Without it, airplane service from California to the Orient would be impossible. No other country can use it without our permission and the United States will be able to control trans-Pacific airplane service—a matter of incalculable value to our country.

But in addition to its incalculable value for military purposes, and as a crossroads for Pacific commerce, Hawaii is of major value as a purchaser of goods from other parts of our country. It buys two-thirds of the California rice crop. It buys millions of feet of lumber from Washington and Oregon. It buys cotton goods from New England and the South, and flour and meat products from the Middle West. There is not a part of our country which does not receive some benefit from trade with Hawaii, either directly or indirectly.

Mr. Chairman, we devote much attention to our foreign trade and rightly so. But our foreign trade is but a pigmy compared with our internal trade. How many of you know that Hawaii each year buys more than \$80,000,000 of products from other parts of our country. And how many know that Hawaii each year buys more of our products than does any foreign country save five; that it buys more than Mexico, or Cuba, or Italy, or Brazil, or China. The figures are as follows:

as luliows.	
1. United Kingdom	\$440,000,000
2. Canada	
3. Japan	204, 300, 000
4. France	129, 500, 000
5. Germany	100, 600, 000
Territory of Hawaii	
6. Mextco	76, 000, 000
7. British South Africa	
8. Cuba	67, 400, 000
9. Belgium	58, 800, 000
10. Italy	
11. Australia	58, 500, 000
12. Argentina	56, 900, 000
13. Netherlands	52, 800, 000
14. Brazil	49,000,000
15. China	46, 800, 000
16. Sweden	43, 100, 000
17. Colombia	27, 900, 000
18. British India	26, 800, 000

Of course, it follows that if we restrict Hawaii's production or her manufacture of her products, we reduce her trade by just that amount and her ability to purchase the goods of other parts of our country. If she cannot refine her sugar but must pay the eastern refiner to do so, there will be less lumber, less rice, and less flour purchased by her from the rest of the country, and the Pacific coast will be the principal loser.

Mr. Chairman, to suggest that it is public policy to discriminate against one part of our country in order to favor another is shocking. It has never been our policy. One of the causes of the Revolutionary War was England's traditional policy of preventing manufacturing in the Colonies in order that industry in the mother country might thrive.

Some parts of our country have natural advantages over other parts, and because of this fact industries rise and prosper in some areas and languish in others. It has never been our policy to deprive any part of our country of its natural advantages by law or to legislate natural advantages out of existence.

The coal in Pennsylvania and the oil in Texas give them natural advantages over areas not possessing these natural advantages. So, also, the water power in the Western States and the minerals of Colorado. It is the same with soil and climate. New England had a monopoly of cotton spinning for many years because of her cheap water power. But electricity and climate and plentiful labor in the South has resulted in a rapid growth of spinning there, where the cotton is grown. No one would think of preventing the South by law from spinning her own cotton simply that New England might continue her monopoly.

We now have pending before us wage and hour legislation. Many of the southern Representatives strenuously oppose its enactment, because they contend it will deprive the South of her advantage of a plentiful supply of labor. We must recognize that local conditions make it proper that there should be wage differentials between different parts of our country, influenced in part by its availability, but greater still by the cost of living, climate, and other such factors.

Mr. Chairman, if our Territories have cheaper labor than the Atlantic coast, that is no reason why they should be deprived of their right to manufacture their agricultural products. The wage and hour law will apply to sugar refining in Hawaii, and, if there is any reason why wages should be raised or hours lessened in Hawaii, the Federal Government will be able to do it. The labor question is a false issue and has no place in the consideration of this legislation.

It is interesting to speculate as to the amount that Japan, for instance, would pay if it could own the Hawaiian Islands. And yet those islands, after a century as an independent sovereignty, voluntarily elected to become part of our country under our solemn assurance that it would become an integral part of our Nation, and as such is entitled to fair and equal treatment.

Under this assurance the Republic of Hawaii turned over to the United States all its properties, the money in its treasury, its forts and public buildings, and more than a million acres of public lands. We not only did not have to pay for the Territory, but we got the money in the treasury and all public properties. In addition Hawaii has paid into the United States Treasury in taxes \$150,000,000 more than Congress has expended upon it. We received the islands as a voluntary gift and have made a profit of \$150,000,000 out of them.

Mr. Chairman, not only would it be a disastrous national policy for us to discriminate against Hawaii, but I earnestly say that it would be a gross breach of faith with her children—a violation of the trust under which she became part of our Nation. [Applause.]

Mr. MASON. Mr. Chairman, I am opposed to this bill in general, largely for the same reasons so admirably expressed by the gentleman from New York [Mr. Wadsworth]. But, unlike Mr. Wadsworth, I am opposed to the Jones amendment. I am opposed to the Jones amendment. I am opposed to the Jones amendment because I believe it will take jobs away from organized American workmen and give those jobs to native, unorganized workmen in our possessions or in our islands.

I confess I cannot see any discrimination in this bill against Hawaii and Puerto Rico in the refined-sugar quotas. The provisions of this bill limit the output of refineries in continental United States to about 60 percent of their capacity by limiting the raw product which goes to them. But the provisions of this bill as they are now do not limit the production of any refinery in Puerto Rico or Hawaii, be-

cause this bill permits them to at least produce to capacity. I see no discrimination there. If there is any discrimination it is against our own refineries here and against our own workmen here if this amendment is adopted.

Mr. Chairman, congressional leaders who are urging us to lift the import quota upon refined sugar are really asking us to give American workingmen's jobs to natives of far-away islands.

Last month these same congressional leaders urged upon us the one and one-half billion relief appropriation "to keep American workingmen and their families from starving."

Next week these same congressional leaders will be urging us to raise the standard of living for the submerged one-third of our American population that we have heard so much about by passing the so-called wage and hour bill, a bill that seeks to establish minimum pay and maximum hours—and other things far less desirable.

I defy anyone to find anywhere a more outstanding example of loose thinking, inconsistent reasoning, or contradictory action than is to be found right here in Congress when we compare the aims, the purposes, and the objectives of this sugar bill, the wage and hour bill, and the Wallace farm bill. Any reasonable man must know we cannot raise the standard of living and wages for the American workman and at the same time invite importation of foreign goods made with cheap labor; we cannot raise the standard of living and prices for our American farmers and at the same time invite importation of agricultural products produced upon foreign soil by peasant toilers. It just does not make sense. High prices for farm products, high wages and shorter hours for labor, must of necessity mean protective tariffs. This principle was recognized by the late Congressman Connery in drafting his bill. It was recognized by the men who drafted the 1937 A. A. A. bill. It underlies the question at issue on this sugar bill. So let us quit kidding ourselves; let us act like logical beings; let us face the facts.

[Here the gavel fell.] Mr. STEFAN. Mr. Chairman, we have given over 2 days to debate on this important sugar bill. I have frequently stated here that more wars have been fought over sugar than any other commodity. Today we are surrounded by sugar people from all parts of the world watching carefully what we will do with this bill. The objections of the administration to the bill brought to us by the Agriculture Committee are regarding two of the paragraphs in section 207 which would limit the amount of refined sugar coming to the United States from the Hawaiian Islands and Puerto Rico. It has nothing to do with the amount of the raw sugar in the quotas contained in this bill. The seaboard refineries want the refined limits left in the bill on the ground that unless that is done hundreds of American workers would be thrown out of jobs. The sugar-beet interests in my State want the sections left intact on the grounds that unless that is done it may work a hardship against the

Mr. Chairman, the committee has worked many months over this sugar bill. I have attended many of those meetings in order to determine just how this important legislation would affect the consumers of America and also our farmers.

sugar-beet farmers of Nebraska.

I am opposed to any quota being put on sugar farming in the continental United States, Mr. Chairman. I say that because we raise only about 20 percent of the sugar we consume here. We find ourselves faced with orders to take out of production many thousand acres of land because we are told we raise too much corn and wheat and cotton and other farm crops. At the same time we appropriate many hundreds of millions of dollars for irrigation to put new farm lands into production to raise the same things. Yet here we are telling our farmers that notwithstanding the fact that we only raise 20 percent of the sugar we eat we must raise so much and no more, thus leaving an American market wide open to the sugar barons of the world to exploit. Why should we tell our sugar-beet farmers that notwithstanding

the fact that they have the land they can only grow a limited amount of sugar beets even though there is never a surplus of sugar beets in our country? American consumers should know that last year they paid a subsidy of about \$350,000,000 to the sugar people of the world. That gigantic annual amount represents the amount more than the sugar people got for their sugar on the world market. That is because in the United States we pay 1 cent and more a pound for sugar than is paid on the world market. There is a world market and a United States market. American consumers pay the bill. That is, they pay a subsidy or a higher price than other people in other countries of the world pay.

Mr. Chairman, while I am in sympathy with the President, on principle, in his stand against parts of this bill, I feel that as long as we are putting a quota on our sugar production in this country and carrying out this quota program through which our offshore possessions will profit, there is nothing inconsistent and there is no discrimination against offshore possessions to put a certain quota on how much refined sugar they can ship into our continental United States. We are told that these offshore possessions will be allowed to ship as much refined sugar as their present capacity. We are told that they will not be stopped from refining sugar and that they can sell all they want on the world market. So we merely say for the sake of protecting American labor, American industry, and American farming, that they can ship their present capacity to us so that American industry will be protected against the possibility that eventually all the sugar raised in these offshore possessions will not be refined there and shipped directly to us with the possible danger of closing down all of our refineries and make America the dumping ground for all the world sugar and sugar substitutes that are now rapidly wiping out the market which heretofore was enjoyed by American farmers who raise corn and grain.

Mr. Chairman, if there was no quota on sugar in the United States and we were allowed to raise whatever sugarcane and sugar beets we cared to raise, I would feel that I would follow the principle in the arguments advanced by the apponents to this bill. I want to go on record with other Members that industry in Hawaii and Puerto Rico and the Virgin Islands should be treated as all other Americans because the islands are American and the people who live there under our flag are also Americans. But as long as these quotas are forced upon us; as long as we are told in the United States that "we must not raise more than so many acres of sugar beets" and so long as these quota regulations are forced upon us I feet that the quotas can be placed on refined as well as raw sugar.

Mr. Chairman, I do not care to dwell much longer on this particular phase of this very important bill. There is one paragraph in section 207 to which I am opposed. In it we say that in the Virgin Islands we must not refine any sugar. That is in these islands which belong to us and where the people live under the Stars and Stripes and where the principal crop is sugarcane from which fine sugar can be madewe say to these people that they cannot make and refine sugar. I feel that is rank discrimination and a blot on legislative procedure here. In those islands we force these people to grind their sugarcane into juice from which our Government, at Government expense and under our Government supervision, makes rum which we distribute throughout these United States in competition with the distillers of our own land who are endeavoring to abide by their promises to our farmers that they will distill their spirits from our corn and our grain.

Mr. Chairman, I wish to call attention of Members of this House to another amendment which is going to be offered very soon. This will have to do with an excise tax of about 8 cents a gallon on liquid sugar or blackstrap molasses. This liquid sugar is coming to us as refined sugar and carries no duty. I hope every Member who is anxious to

protect the American market for the American farmer and every Member who is anxious to protect American jobs for the American workingman will join us in keeping this amendment in the bill.

Sometime ago, Mr. Chairman, I became the author of H. R. 2268, a bill making it unlawful to sell certain spirits containing alcohol produced from materials other than cereal grains. It has the support of the Farm Bureau and other farm organizations. Extensive hearings were held on this bill. It was fought, in my opinion, by the great Sugar Trust and even some of the refiners. Up to this time this bill has been waylaid in committee.

This amendment to this bill to put an excise tax on this molasses coming to us from foreign countries and even our offshore possessions may help my bill and may help our farmers who may this year have an overabundance of corn. In the absence of a price stabilization bill for our corn crop this year, I beg Members of this House to help us pass this amendment, which will protect a market for about thirty or more million bushels of corn annually and a very large amount of other cereal grains. The amendment will in no way stop the importation of blackstrap molasses where it comes for the purpose of mixing with alfalfa and which is an adjunct for livestock feed. It will, however, give corn and grains an equal chance with blackstrap molasses in the manufacture of distilled spirits, alcohol, and so forth.

Mr. Chairman, we have heard many statements on the floor of this House during the past few weeks to the effect that farmers are so much better off now. Members who do not know the truth and merely get their information from the newspapers and reports about high prices of farm products really should know that in my State there is no prosperity yet among the farmers. Thank God we are going to get a corn crop according to present indications. But up to this time our farmers had to pay high prices for corn and grain to feed their starving livestock. They have paid \$1.25 a bushel for corn which today has already dropped 30 cents on the market. They have paid 65 cents a bushel for oats for which they now are getting 30 cents at the elevators.

So you see, Mr. Chairman, these debt-burdened farmers who are forced to give all their small grain to pay for feed and seed loans are depending upon what little money they are going to get from the sale of their corn, if they get a crop of corn. They must be protected.

You will remember that during the fight for the repeal of the prohibition law the farmers of our country were told that if they voted for repeal they would be given a real market for their corn and grain. But what really happened? Immediately after repeal the Molasses Trust began using substitutes for corn and grain. They built gigantic distilleries where they are manufacturing all kinds of distilled spirits and alcohol from this cheap blackstrap molasses and flooding our country with it. The great chemists continually show that they can make alcohol much cheaper from this substitute than from the real products of the farm. Thirty million bushels of corn is substituted each year by this blackstrap molasses, which is a byproduct of sugarcane which comes to us from the fields of foreign countries.

The beet-sugar and cane-sugar farmers of our country know that none of their byproducts go into alcohol. It is used up mostly by the yeast people. Therefore, every Member from a beet-sugar district and a cane-sugar district of our country and who is in this House this afternoon should know that all of the blackstrap molasses which is replacing corn and grain in the manufacture of alcohol comes to us from foreign countries and very little from our island possessions. By voting for this amendment, and also the Dirksen amendment, which has practically the same objectives, you will be helping to protect the American market for the American farmer.

I wish, Mr. Chairman, that every Member of this House, especially those Members from our industrial East and

South, would know the true picture of many of the farmers in my district. These farmers have hung on through drought, grasshoppers, and dust storms. They have seen their fields eaten up by hoppers, burned up by the sun and hot winds, and they have seen their livestock starving. A majority of them have gone broke financially and have been forced to sell down their livestock until many of them do not have enough livestock on hand to work their farms effectively. Up to the present time practically all of the corn and grain have been shipped into the district and fed on ar-Today they have completed harvesting a small grain crop. But most of that crop will go to settle some of the heavy debts which they were forced to acquire during the drought days. But bountiful rains have fallen, and the prediction is that the corn crop will be a good one. In some of my counties there will be no grain and no corn and not even a garden of vegetables. But generally I am reliably informed there will be corn. It is the corn crop on which our farmers depend to keep them going until the next crop. I beseech Members of this House now to do something in this bill to give these corn farmers the market to which they are entitled, and not keep surrendering it to the foreigners, who are rapidly taking it away with these substitutes.

Mr. HIGGINS. Mr. Chairman, may I take a few moments of the time of the Members of the House to summarize my views on the proposed legislation? I was privileged yesterday to listen to many mighty fine presentations of the subject from the lips of men who are undoubtedly students of the subject of sugar legislation, and I could not help but draw my own conclusions as to the problem confronting this House. As Representatives in Congress we should be primarily concerned in enacting into legislation a law that would be beneficial first to the American consumer; secondly, to the American producer; and, finally, to the American

Briefly, the recent history of sugar legislation will call to mind the Fordney-McCumber Act, which in effect was the Tariff Act of 1922 and, subsequently, the Smoot-Hawley Tariff Act of 1930, both of which proposed to maintain and increase the domestic market for domestic producers. The tariff acts of these years did not accomplish this purpose but shifted the American market from Cuba to the insular possessions, with resulting economic distress to the sugar industry generally and a loss of markets to Cuban producers. When the present administration assumed office, the failure of the tariff system as a method of aid was apparent to all interests. The price of sugar for March 1933, I am informed, was close to its extreme low for all time and, as a result, the Tariff Commission, which had studied the sugar problem from all angles, acknowledged the failure of former sugar legislation and outlined in a letter from Robert L. O'Brien to the President in 1933 possible substitutes for the traditional method of assistance. Among the plans suggested by the Tariff Commission was a limitation in the form of a quota system, which feature, together with direct benefits to domestic and insular producers which were to be made from the funds arising through the processing tax on sugar, was embodied in the Sugar Act of 1934. Following this legislation, the Department of Agriculture attempted to reach a stabilization agreement with the industry but failed, and subsequently the President, faced with the failure to reach the agreement, sent a message to Congress, which turned to the principles of the Agricultural Adjustment Act for partial solution, at least, of the sugar problem. The principles of the Agricultural Adjustment Act, now invalidated, could not be applied precisely in the case of sugar as in other commodities such as wheat because sugar was an import and not an export commodity and we did not have a surplus but rather a deficit in the commodity at that time. The President's message raised the principal issue as to whether or not the sugar industry should be afforded any measure of public protection and concluded, "I do not at this time recommend placing sugar on the free list." In brief, the President asked Congress to protect what he described as an expensive industry but not to enlarge it. The consequent result of the message was the enactment of the Jones-Costigan Act of 1934.

Leaving the legislative background of sugar for a moment. let us proceed to a consideration of the effects that the present bill under consideration would have, first, upon the consumer; secondly, upon the producer; and lastly, upon the refiner. Statements made here on the floor yesterday by the very distinguished chairman of the Committee on Agriculture set forth the fact that the average price on sugar to the consumer under the provisions of the Jones-Costigan Act, which incidentally embraces the quota system, was less and is less today than it has been for many years. This fact—that the present price on sugar is lower than it has been for a great number of years-was supported by the statements of the gentleman from Colorado [Mr. CUMMINGS], who is probably as well informed on this subject as any man in the House. Finally the gentleman from Michigan [Mr. Hook] submitted statistical data which proved to the satisfaction of those of us who were present that the statements made by the chairman and the gentleman from Colorado were correct. These statements are obviously true because they remain unchallenged. The second consideration that Members of the House should have should be toward American sugar producers; that is, toward the farmer, who actually tills the soil which produces this very controversial commodity. Our interest in that class of men should be satisfied by the statements of none other than the distinguished gentleman from Colorado [Mr. Cummings], representing as he does a great beet-sugar area, and who is recognized as a great authority on sugar legislation, when he said that as far as the sugar producers are concerned, the elimination of subdivisions A and B of section 207, which wipes out the quota provisions from the present bill, would make no difference to the producer, for he would get the same price for his product whether the quota provisions were in the bill or eliminated from it. I think we can all take that statement as a fact in view of the authority from which it comes.

The main purpose, as far as I am concerned, of this bill is to enact into law legislation that will first and foremost protect the consuming public, and incidentally protect the farmer-producer of sugar, and finally American industry, which employs thousands of our citizens in refining enterprises throughout America. This bill continues the quota, which system, in effect, for the past 2 years of its life, at least, has accorded the American consumer the lowest average price for sugar that the consumer has enjoyed for many years.

Secondly, the bill provides, as similar provisions have during the life of the Jones-Costigan Act for the last 2 years, protection for the farmer-producer of the Middle West and the South. If the provisions of the Jones-Costigan Act work so well, then is it not a practical thing for us to embrace the main provisions of the Jones-Costigan Act in framing present legislation.

This brings us to the consideration of the most controversial features of the bill-subdivisions A and B of section 207-which, in effect, establish a similar quota system in the present bill as is present in the Jones-Costigan Act. The present administration, under advice, I assume, from Secretaries Ickes, Wallace, and Hull, wants the quota on refined sugar from the insular possessions, described in the section above, abolished. This brings us to the consideration of the last group aforementioned, namely, the status of the American refiners under the bill now under consideration. The quota system, affecting as it does American refineries, has worked well during the life of the Jones-Costigan Act, and, in my opinion, should be perpetuated in the present legislation for the reason that the plan of Ickes, Wallace, and Hull, if it were enacted into law, would mean less raw sugar shipped here, thus less refining here in America, and, more

important still, what would be refined in America would have to be sold against ruinous competition of producers of Hawaii, Puerto Rico, and the Philippines, whose finished product would be produced at a minimum labor cost. The abandonment of the quota system would undoubtedly throw American workmen out of employment in order that natives in far-away insular possessions might gain employment and refineries on those islands, which, as a matter of interest, the gentleman from Colorado [Mr. Cummings] said are controlled by six corporations, would gain greater profit.

It must be obvious to thinking persons what would happen if the quota support were withdrawn from the present bill. It is safe to say that such a withdrawal would bring about a new alinement of supply and demand, and hence new but indeterminate prices when Cuba and the insular possessions would be permitted to expand their exports of sugar to the United States. The history of sugar legislation teaches us that the American consumer paid 25 to 30 cents a pound for sugar in the years 1920 and 1921, and it is my humble opinion that if the quota provisions of this bill are withdrawn and the American refiners are compelled to close their refineries because of ruinous competition, then insular refineries will be in a fine position to dictate the price of sugar in continental United States. This reasoning appears to me to be logical, since there will be no American competition and literally a monopoly will be set up among refiners on the insular possessions, supported, maintained, and perpetuated upon a cornerstone of cheap labor.

Should the advocates of the amendment that is to be offered to eliminate the quota provisions of section 207 prevail, then eventually the beet-sugar farmer of the West, the cane-sugar producer of Florida and Louisiana will be in trouble. I hold no brief for the American refiners and I recognize that the industry has had an unfavorable record in the public mind and that its long-drawn-out controversies with the Government and its subsequent conviction of engaging in combination and conspiracy in restraint of trade in commerce have not left any too favorable a taste in the minds of many people, yet I do hope that legislation enacted into law should be so designed as to stabilize all features of the industry and extend no preference to insular labor over American labor.

If the provisions of the Jones-Costigan Act of 1934, which are in effect embodied in this legislation, have worked so well and have afforded the consumer the lowest price in many years for sugar and have protected the farmer-producer, then why is it not consistent to permit the American refineries, which employ about 14,000 of our citizens, to continue to enjoy the benefits they have had during the life of the Jones-Costigan Act.

If the opinion of the present administration is written into the law, American refiners could not maintain the industry, paying the American standard of wages to its workmen as against the competition of the lower labor standard of wages paid to workmen in the insular possessions. As far as Boston and New England are concerned, we might well anticipate the closing down of a century-old industry with a pay roll to New England workmen of over \$2,000,000 per year, not to mention the millions which are added to New England purchasing power in the nature of wages, supplies, freight, advertising, and the like. What is true of New England is true of other sections of the country where the refining industry is located and where that industry has played an equally important part in the industrial advancement of such States as New York, New Jersey, Pennsylvania, Maryland, Georgia, Louisiana, Texas, and California. Thousands of men throughout America will be deprived of an opportunity to work, and, in most instances, will be returned to local relief rolls. Personally, it does not seem to me to be good business nor to be consistent with the governmental policy in recent years in these times of unemployment to further reduce and eventually wipe out the pay roll of approximately 14,000 men employed in this industry and paid \$25,000,000 yearly, in favor of cheap tropical labor in Puerto Rico, Cuba, and Hawaii.

In conclusion, Mr. Chairman, may I say that it is rather ironical for the present administration to ask industry to absorb the unemployed and, at the same time, attempt to enact into law sugar legislation, without quota provisions, which would admittedly discharge thousands of Americans engaged in the sugar-refining industry in Boston and other cities of the country.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. HIGGINS. I yield.

Mr. BIERMANN. If section 207 does not go out we will not have any bill and the farmer will be just as bad off as he was in 1933.

Mr. HIGGINS. The gentleman holds an opinion contrary to that of the gentleman from Colorado [Mr. Cummings] who on yesterday stated that it did not make any difference one way or the other.

Mr. BIERMANN. Does he think we can override a veto? We are going to get a veto if that section stays in the bill. Mr. HIGGINS. The gentleman does not know that we are going to get a veto.

Mr. BIERMANN. I assure the gentleman there will be a veto.

Mr. HIGGINS. The gentleman has no guarantee of that any more than I have.

This brings us down to the most controversial feature of the bill.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Iowa [Mr. Thurston] is recognized for 3 minutes.

Mr. THURSTON. Mr. Chairman, this may be a sweet bill for the Government of Cuba and several large banks in New York City and some large banking concerns in Canada, which control much of the Cuban sugar land, but I think it is a rather sour subject to the United States Treasury and the American farmer, because, under the reciprocal treaty we made with Cuba, already in 32 months we have remitted \$78,000,000 in duties on Cuban sugar that otherwise would have been paid into the Treasury of the United States. These figures are authentic and official. What have we received in return? Slightly increased exports of our products, but we have not one-tenth of the amount that we have given to the Cuban Government in an agreement carrying the word "reciprocity."

How does this concern us? We are paying benefits to the farmers so they will not raise sugarcane or sugar beets; paying them to keep their land out of cultivation so that we may import more sugar from Cuba. Do you believe that a similar example could be found in the whole world? No. When we add the cost of these benefits paid the farmer it means that our Government has already lost more than \$100,000,000 because of this unfortunate agreement the Roosevelt administration made with Cuba. Furthermore, the loss in revenue is increased at the rate of \$2,000,000 per month.

This so-called sugar mess can mostly be traced to the reciprocity agreement with Cuba. Just another hundred million dollars to support the good-neighbor policy of Hull and Roosevelt.

To you Members who have refineries in your district, or in whose district sugarcane or sugar beets can be grown—and I have neither—I suggest that the root of your trouble is these abominable treaties which are taking away the use of our land and the employment of our people. So if you want relief or if you want to make a satisfactory approach to the solution of the sugar problem, you will have to reach farther back than this bill; you will be forced to bring about a termination of the reciprocal-trade agreements with Cuba. If we could be encouraged to increase domestic production of cane and beets it would put vacant land into sugar crops, stop benefit payments, and take some of the

pressure off of corn and wheat and thereby help the other farmers of the country. But we are faced with this illogical, unsound condition, brought about by dreamers and visionaries, and whether you have quotas or not, you are never going to bring about a real solution of this question until you terminate this sugar agreement.

I assert that this foreign sugar flasco has already cost the United States Treasury more than \$100,000,000. Probably the low-tariff, free-trade sponsors of this program would say that the amount mentioned only increased the public debt that sum. Just a good-will move.

But we must not forget that it will take sweat and taxes to pay for this unfortunate trade experiment.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. Coffee] for 3 minutes.

Mr. COFFEE of Nebraska. Mr. Chairman, in closing the debate in opposition to this amendment I wish to call to the attention of the Members of the House a few pertinent facts.

The restrictions in this bill, limiting the importation of refined sugar from Puerto Rico and Hawaii, are the same as the restrictions in the Jones-Costigan Act and the resolution continuing the quota provisions, passed last year, both of which were signed by the President. This bill simply limits the refined sugar to the maximum amount that Hawaii and Puerto Rico are able to refine at the present time.

I am primarily interested in the passage of this bill in the interest of the growers. The domestic sugar industry is a very important industry in this country and should be preserved.

The committee gave a great deal of consideration to the controversial question at issue. We felt there was no justification in encouraging the building of new refineries in Hawaii and Puerto Rico at this time that would jeopardize the investments in continental refineries and the jobs of the men now employed in them.

From the consumers' viewpoint, if we encouraged the dismantling of our continental plants and the building up of refineries in our offshore areas and in foreign countries controlling the chief sources of supply, might we not sooner or later become the victims of a monopoly that could force the people in the United States to pay a price of 18 or 20 cents per pound for sugar, as happened in 1920? Let us preserve this American industry.

I urge the passage of this bill as reported by the Committee on Agriculture, with the suggestion that, in the light of recent political developments, if it is found necessary that some further compromise be made, it can be done in the Senate. This is not permanent legislation.

[Here the gavel fell.]

The CHAIRMAN. There is one other speech, that of the gentleman from Texas [Mr. RAYBURN], and then debate under the agreement will close.

The gentleman from Texas is recognized.

Mr. RAYBURN. Mr. Chairman, I take the floor today for one reason, and one reason only, that I am a friend to the sugar industry and I want sugar legislation.

Mr. Chairman, my very dear friend, the gentleman from Massachusetts [Mr. McCormack] this morning, anticipating that I would make a few remarks later in the day, called attention to the fact that the city Members had upon every occasion supported farm legislation. I join him in that statement, but say further that my observation has been that the Members from the great cities have with as much unanimity supported all farm legislation as have those of us from the so-called country districts.

To me there is a principle involved in the Jones amendment. This may not be exactly on all fours with the proposition that we are considering, but I say the same principle is involved.

If there is a strong industry in the country I represent, it is the Cottonseed Crushers' Association. That organi-

zation is without doubt the strongest single organization in northeastern Texas. They came to me some years ago and stated that the cottonseed-oil industry was in a bad way, and that it was being hounded to death by Philippine oil. I told these gentlemen then, as I say to you today with reference to this matter and with reference to other American citizens, just as the Filipino was a full American citizen at that time:

I realize your situation, but as long as the Philippine Islands are a part of the United States I will not by my vote levy a tax against them any more than I would against any State of the Union.

[Applause.]

Mr. Chairman, we are up against a certain proposition here and we might as well be frank about it. I stated at the beginning of my remarks that I rose for one purpose and one purpose only. That is, I want the sugar question settled for at least 2 years. I think it is in the interest of American refiners, I think it is in the interest of American producers, and I think it is in the interest of those extra Americans in what we call our possessions. I think this is more sentiment than anything else, or an understanding, as some people might say. Do you not think it would be better to adopt the Jones amendment, which I do not believe will hurt the American refiners, because I believe there will be no extrarefineries built in Hawaii, Puerto Rico, or the Virgin Islands if the Jones amendment is adopted, and get real sugar legislation and be sure of it than to hazard getting nothing and throwing this great industry into what you yourselves call chaos? Some of you gentlemen have been telling me for 3 long weeks that we must pass some sugar legislation or the sugar industry is going to be in very bad shape.

I want to assure you that the President and all departments concerned are wholly opposed to these two paragraphs.

Mr. Chairman, that is all I have to say. I trust the amendment will be adopted because, as I stated at the beginning, I am a friend of the beet man, I am a friend of the cane man, I am a friend of the industry, and I want this great industry to have the support in years to come that this legislation will give it. [Applause.]

The CHAIRMAN. All time has expired under the agreement.

Mr. KELLER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Mr. Keller offers an amendment to the amendment: Page 14, lines 9 and 10, strike out subsection (c).

Mr. JONES. Mr. Chairman, I ask that the amendment be agreed to so that the vote may come on my amendment as amended. I ask unanimous consent that the lettering may be changed in my amendment so as to completely fit the situation.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Jones] as amended.

The question was taken; and on a division (demanded by Mr. Jones and Mr. Lanzetta) there were—ayes 73, noes 125.

Mr. JONES. Mr. Chairman, this is a very important amendment and I demand tellers.

Tellers were ordered, and the Chair appointed Mr. Jones and Mr. Cummings to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 92 and noes 135.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, in order to give all the Members who have substantial amendments a chance to present them and have them read and then to have discussion on all amendments, I am going to ask that the amendments

may be read and that all debate on this bill and all amendments thereto close at 5 o'clock.

The CHAIRMAN. The Chair may say to the gentleman from Texas that there are certain committee amendments that were passed over temporarily.

Mr. JONES. I would like to have them disposed of first, of course. I am perfectly willing for the amendments to be offered and pending, so that they may all be read in the meantime and then anyone who has an amendment will have the opportunity to speak, but the debate will close at 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. PETERSON of Florida. Mr. Chairman, reserving the right to object, we have a series of amendments relating to the Florida situation. Of course, the action on some of the first ones might possibly influence the others.

Mr. JONES. The gentleman may offer his amendments and have them considered.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to have all amendments offered now, debate to be closed at 5 o'clock and that the Member offering an amendment shall have the opportunity to be heard.

Mr. JONES. Mr. Chairman, I would not want to foreclose the right to offer amendments. I am seeking to give the privilege to those who have substantial amendments to have them read now.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WILCOX. Mr. Chairman, reserving the right to object, may I inquire from the gentleman from Texas if it is his idea that all amendments shall be read at one time and then there will be block arguments on all amendments?

Mr. JONES. No; it is my thought that a Member may offer an amendment and discuss the amendment. I had hoped we might agree as we went along as to the time on each amendment and perhaps confine it to two or three speeches and dispose of it. I want to close debate at 5 o'clock and in order that all amendments may be pending I sought to have them read at this time.

Mr. WILCOX. I am perfectly willing to limit debate on any amendment. I have no desire to obstruct the gentle-

Mr. JONES. Mr. Chairman, I will change the unanimous consent request and ask unanimous consent that all debate on this bill and all amendments thereto close at 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The amendments now to be taken up will be the committee amendments.

Mr. JONES. Yes; I think those should be taken up now.
The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 26, after line 8, insert "notwithstanding the foregoing exceptions, sugar in liquid form (regardless of its nonsugar solid content) which is to be used in the distillation of alcohol shall be considered manufactured sugar."

Mr. GAMBRILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to take up much of the time of the Committee, but I do want to submit that black-strap molasses is used very largely in the manufacture of industrial alcohol. It takes about 2½ gallons of blackstrap molasses to make 1 gallon of industrial alcohol. To impose a tax of about 3 cents on a gallon of blackstrap molasses would increase the cost of industrial alcohol from 7 to 8 cents a gallon. I believe the amendment should be defeated.

Mr. LUCAS. Mr. Chairman, I rise in support of the

Mr. Chairman, for a great number of years the farmers of the Nation have attempted to interest the American Congress in legislation which would place the corn producer of the United States upon a near parity basis with the producer of blackstrap molasses in tropical countries. That goal will be accomplished if the amendment which I have introduced and which is now a part of the bill becomes the law of the land. The amendment appears under the definition of sugar and is found on page 26 of the bill. It reads as follows:

Notwithstanding the foregoing exceptions, sugar in liquid form (regardless of its nonsugar solid content) which is to be used in the distillation of alcohol shall be considered manufactured sugar.

In addition, two other amendments which are corollary to the one just quoted have been placed in the bill. On page 30 I have caused to be struck out the words in the title, "Livestock food and distillation" and have had inserted in lieu thereof "and livestock feed." Also, on page 30, in line 21, I have caused to be struck out the words "or for the distillation of alcohol." My colleagues, these amendments do not tax blackstrap molasses which may be imported for livestock food.

Mr. Chairman, various chemical companies and interested industries throughout the Nation have flooded the offices of Members of Congress with letters opposing this amendment. It is the same old story when legislation is proposed which for the first time, seeks to interfere with a bonanza which has been heretofore unmolested by tax legislation. I do not blame them for attempting to keep a closed corporation on one of the most profitable businesses in America.

I have no quarrel with them for attempting to defeat this amendment, as it is an immutable law that every man in this world must look after himself. I approach this problem from the standpoint of the farmer who has for years visioned purchasing power dwindle into the evening shades of bankruptcy. Through this amendment I am only attempting to deal out a bit of single-handed justice for the basic industry of America, heretofore long neglected.

Mr. Chairman, I am one who believes in reciprocal-trade agreements. I am convinced that it is the only method that can bring back to this country a demand for our surpluses, which is so necessary in our general scheme of permanent prosperity. But I submit that the disparity existing between the producer of blackstrap molasses in foreign countries and the producer of corn in America for the distillation of alcohol is shameful and appalling. Reciprocity upon this question is a mere platitude.

Let it be understood at this point of my argument that the farmers of this country do not want a complete embargo upon blackstrap. This is where I am forced to disagree with the position taken by the gentleman from Illinois [Mr. DIRKSEN], who admits that if his amendment were adopted the tax would prohibit blackstrap molasses from entering this country. I believe that I understand the feeling and temper of the American farmer. No class of individuals in this country is more fair and equitable in their relationships with the other industries of the world. I say with candor that the farmers of America do not want an embargo upon blackstrap molasses. The farmers of America do not want such high and preferential treatment. However, they do ask that every reasonable opportunity for the disposition of the surplus of the basic commodities of America be made available. They want to open every possible avenue to increase production consistent with a fair and decent price. And my amendment, which is now a part of the bill, seeking to place an importation and manufacturers' tax upon sugar, regardless of its nonsugar content, will, in my opinion, go a long way toward helping the corn producers of America. No opportunity to develop more markets for these commodities should ever be overlooked. No one will disagree with my statement when I say that such a program is socially desirable and economically sound, and the more I study the contents of my proposals and their possibilities the more I am puzzled as why this legislation has been so

Mr. Chairman, I now submit further supporting facts which should convince the Congress that these amendments are meritorious and justifiable.

First. Do you know that outside of a small excise tax under the tariff act there is not a single dime of tax upon the importation or manufacture of blackstrap molasses? Is there any legitimate or economic reason why this liquid commodity, which comes to this country in millions upon millions of gallons, should be exempt? Under this bill sugar pays an importation and manufacturers' tax. Sugar is one of the necessities of life, while most of the alcohol distilled from blackstrap molasses goes into beverages and radiator caps, rather luxurious business at least. All I seek in this amendment is to place the actual sugar content of blackstrap molasses upon the same taxable basis as edible sugar. What is unfair about that? Is there a single individual interested in this bill who, if he uses American equality as a premise, dare challenge this position?

Second. Do you know that last year 179,123,000 gallons of molasses came into this country from the tropical countries? Now, under my amendment the importation and manufacturers' tax would be approximately 7.72 cents per gallon, resulting in the raw material cost of a gallon of alcohol of approximately 25 cents. Chemists tell me that a bushel of corn will yield 21/2 gallons of alcohol. Therefore, if corn is selling at 75 cents per bushel and the same were being used in the distillation of industrial alcohol, the raw material cost of 1 gallon would be 30 cents; if corn were selling for 70 cents per bushel, the raw-material cost of a gallon of industrial alcohol would be 28 cents; if corn were selling for 65 cents per bushel, the cost would be 26 cents per gallon; if corn were selling for 50 cents per bushel, the cost would be 20 cents per gallon; and if corn were selling for 40 cents per bushel, the raw material cost of a gallon of industrial alcohol would be 16 cents. At 65 cents per bushel corn would be an attractive influence to the distillers of alcohol for industrial purposes, and this basic commodity in America would meet the competition of blackstrap molasses. If corn sold below that price, we then would be aiding the American farmer by giving to him an opportunity to sell to the manufacturer of alcohol at a cost lower than that for which blackstrap molasses could be bought in the tropical countries. Here would be a chance to expand our market when it is most needed.

And here, my colleagues, are some startling figures: Using the same figure of 179,123,000 gallons of molasses, the amount shipped in this country last year and used in making alcohol, we find that is equivalent to 28,660,000 corn-bushels. It takes 1,189,000 corn-acres to produce that number of bushels.

Mr. Chairman, I emphatically deny that this bill will be of nc benefit to farmers, as is claimed by some of my colleagues upon the floor of the House. But assuming, for the sake of argument, that such is true, and that corn cannot compete with other commodities in the making of industrial alcohol and ethyl and methyl alcohol, I return you to my first observation and ask, Why should blackstrap molasses come into America tax free? There is seldom a day passes that some statesman does not rise on the floor of this House and discuss seriously the question of balancing the Budget. If my amendment will not turn the eyes of the industrial crowd to the cornfields of America, it will turn their pocketbooks toward the United States Treasury, which is sorely in need of money. It is estimated that the annual revenue to be produced by blackstrap molasses, if this amendment goes into effect, will be around \$7,000,000; and even in these days \$7,000,000 is a

I sincerely hope that the proposition to eliminate this language from the bill in the amendment will be decisively defeated; and I call upon those in this Hall who are interested in the farmers of America to help write into law a bill which will, for the first time, give the corn farmer an opportunity to compete on an equal basis with the fellow who produces the blackstrap in the Tropics.

Mr. BIERMANN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am from a district where the principal field crop is corn. If I believed this amendment would help the corn growers and was anywhere near fair to the rest of the country, I certainly would be for it. I am against it.

This amendment was adopted without any hearings in committee, and without any statement except the very able one by the gentleman from Illinois [Mr. Lucas]. I do not believe a radical step like this ought to be taken by the Committee of the Whole when the matter has not been given mature consideration by any committee of the House. Obviously, the amendment is designed to help the corn growers. I would like to help them. This amendment, if written into law, will not help them. The manufacture of alcohol from corn would not begin until the price of corn got down to about 40 cents a bushel.

Mr. LUCAS. Mr. Chairman, will the gentleman yield? Mr. BIERMANN. I do not have time to yield.

One bushel of corn makes 21/2 gallons of alcohol. The net cost of the manufacturing process in making a gallon of alcohol from corn is 6 cents. Therefore, if corn is selling at 40 cents a bushel, alcohol can be produced at about 22 cents a gallon. It is now produced from blackstrap molasses at approximately 20 cents a gallon and can be produced from petroleum products for just a little more.

May I read from a statement by the Department of State:

That is, the pending amendment-

would apparently not achieve its objective of causing more corn

would apparently not achieve its objective of causing more corn to be used in the distillation of alcohol; instead, it would tend to increase the price of industrial alcohol, disrupt our established molasses trade, and decrease the purchasing power for American goods in molasses-supplying countries. \* \* \* According to the informal advices of the Federal Alcohol Administration, 90 percent or more of alcohol obtained from molasses is used for industrial purposes, 5 percent for laboratory, pharmaceutical and medicinal purposes, and only about 5 percent for beverages. \* \* \*

The commodity which would stand to benefit most by the resultant interruption in the country's trade in molasses would be suitant interruption in the country's trade in moiasses would be ethyl sulphate, a petroleum byproduct, an economical raw material for producing synthetic alcohol. The American corn producer would not be a beneficiary, but more probably the payer of a higher price for his industrial alcohol, and a loser to the extent that American exports of farm products to molasses-supplying countries—particularly to Cuba and the Dominican Republic—would suffer curtailment.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield? Mr. BIERMANN. Not now. If I can get more time, I will yield.

Synthetic alcohol has occupied an increasing portion of the alcohol market of this country. In 1935, 9 percent of the alcohol was made from petroleum product; and in 1936, 16 percent; and in 1936 only 7 percent of the alcohol was made from corn.

There are fundamental reasons why it would be unsound to adopt this amendment. The alcohol-producing factories are along the Atlantic coast, where they get a cheap water haul for this molasses from the West Indian Islands. The factories for making alcohol from corn are also on the east coast, and they would have a long rail haul, and they cannot use corn unless the price is down to about 40 cents a bushel at the factory.

So we are supposed to be doing something for the farmer here, which is simply not going to be accomplished by the amendment. So I hope that this amendment, which was not considered in the committee, will not be adopted.

Mr. HOFFMAN. Mr. Chairman, will the gentleman now yield?

Mr. BIERMANN. I yield.

Mr. HOFFMAN. How would this amendment affect Tugwell's molasses company or the Virgin Islands industry?

Mr. BIERMANN. Oh, that has no bearing on this matter.

Mr. HOFFMAN. None at all?

Mr. BIERMANN. A gentleman as smart as the gentleman from Michigan ought to ask a more pertinent question.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I only regret there was not a larger membership on the floor yesterday when I thought I had rather exhaustively discussed this whole subject of blackstrap; and I am a little surprised, of course, at the refreshing and delightful lack of information of my friend from Iowa, who does not know a great deal about the subject, because it does constitute a menace to the American farmer.

Without going into the matter too completely, let me say that 78 percent of all the blackstrap that is used in the country today comes from Cuba. It is being protected down there, and they are the ones who are seeking to perpetuate the use of blackstrap in American industry.

One hundred and forty-nine million gallons of alcohol was manufactured in this country in 1936 from blackstrap. This

is the equivalent of 30,000,000 bushels of corn.

The gentleman from Iowa states that the benefits will go to the sulphate industry if we put a quietus on blackstrap. There is only one manufacturer of alcohol from sulphate in the country today.

What do you want to do in the face of the situation of a corn production of 2,600,000,000 bushels? Do you want to have the corn farmers come here and ask us to resort to some contrivance like regimentation and to subsidize our corn farmers the difference between the parity price and the price that obtains, or are we going to help to recreate this market which has been taken away by these importations of black-strap?

I cite you this afternoon the prophetic drop in the price of corn in the last 30 days, a drop from a price of 94 cents for December, to a price of 64 cents quoted in the Washington papers of yesterday. This is an average drop of 1 cent a day.

Oh, the corn farmers have been here virtually tearing the hearts out of the Members for some kind of general legislation because they know that when the impact of this surplus comes on the market, down will go the corn price. Do you want to penalize the American consumer by reaching into the Federal Treasury in the form of benefits or are you going to give back to the corn farmer the 30,000,000 bushels of corn that is being usurped by this stuff that comes in from the islands and which, today, pays a tax of one-fifth of a cent a gallon, while under this bill it will pay two and a quarter cents for the equivalent of a bushel of corn. Is it not nonsensical that under the Tariff Act of 1930 a bushel of Argentine corn pays 25 cents before it can jump over the tariff hurdle, while if we vote down this amendment, we will say that it will be all right for 72 pounds of blackstrap which is the equivalent of a bushel of corn for distillation purposes, to pay two and a quarter cents, or one-eleventh of the corn price?

You ought to support the amendment of my colleague the gentleman from Illinois [Mr. Lucas]. [Applause.]

[Here the gavel fell.]

Mr. BOYLAN of New York. Mr. Chairman, I have been a consistent friend of the farmers of the United States. I have voted for all farm legislation which has been presented here practically during my term of office, away back to the \$500,-000,000 revolving fund in the McNary-Haugen bill, and for every other bill that was here to help the farmer. Prior to that in my own State of New York I was consistently a friend of the farmers. So I do not stand before you today as one who would do anything to hurt the American farmer. I do say that the passage of this amendment will not help the American farmer in the slightest degree. Let us read the language:

Notwithstanding the foregoing exceptions, sugar in liquid form (regardless of its nonsugar solid content) which is to be used in the distillation of alcohol shall be considered manufactured sugar.

First it refers to sugar in its liquid form, and then says "regardless of its nonsugar solid content." Remember, Mr. Chairman, we are dealing with a nonedible product. I would not come before you if we were talking about the use of corn in producing edible alcohol because I know that many of you like a good nip of corn whisky, which has plenty of power in it, but here we have something in which there is no sugar and yet you want to tax it. Mr. Chairman, this alcohol made from blackstrap is used for one purpose only, and that is by the industrial manufacturers of the United States. There is hardly a man in the House who has not some manufacturer in his district that uses some of this blackstrap industrial alcohol. It should be remembered that if this amendment is agreed to, it will add to the price, and the result of that would be that alcohol used for industrial purposes will be made in a synthetic manner, and corn will not get a chance.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. Yes.

Mr. GREEN. Much of this blackstrap would go to waste. It is good for no other purpose than industrial alcohol.

Mr. BOYLAN of New York. Absolutely.

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. Dockweller and Mr. Dondero and others) there were ayes 83, noes 67.

Mr. BIERMANN. Mr. Chairman, on that I demand tellers.
Tellers were ordered, and the Chair appointed Mr. Lucas
and Mr. Biermann to act as tellers.

The Committee again divided; and the tellers reported—ayes 89, noes 65.

So the amendment was agreed to.

Mr. JONES. Mr. Chairman, the other two amendments are clarifying, to make the bill conform to this amendment. I ask that they be considered now.

The CHAIRMAN. The Clerk will report the other committee amendments.

The Clerk read as follows:

Page 30, line 1, strike out the comma and the words "livestock food, and distillation" and insert "and livestock feed."

Page 30, line 21, strike out "or for the distillation of alcohol."

The CHAIRMAN. The question is on agreeing to the

committee amendments.

The committee amendments were agreed to.

Mr. WILCOX. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Wn.cox: Page 10, at the end of line 19, strike out the period, insert a colon and the following: "Provided, That no proration or allotment shall be made which shall have the effect of preventing the sugar producers in any State from producing and marketing an amount of sugar equal to the consumption requirements of that State."

Mr. WILCOX. Mr. Chairman, I think the amendment as offered explains itself. It simply provides that every sugarproducing State shall have a minimum quota for that State equal to its own consumption requirements. I discussed the bill at some length yesterday, as did my colleague [Mr. PETERSON]. We undertook to point out to the House the fact that under the bill as drawn some of the States of the Union will be prevented from producing the amount of sugar which they themselves consume. This is particularly true of Florida, which will be restricted to approximately 50 percent of its own consumption. I believe that this amendment is essential to the validity of this measure, as well as to the economic question that is involved. I very seriously doubt the right of the Federal Government to go into a sovereign State of the Union and say to the people of that State that they shall not have the power of producing their own requirements of food, particularly when the entire United States produces less than one-third of its consumption requirements. This bill as drawn and reported seems to prohibit the shipment of any sugar in interstate commerce which had been produced in any area in excess of the quota allowed under the proposed bill. This regulation is, of course, placed in the bill to give Federal jurisdiction over the subject matter. The bill proposes to set aside a definite and specific quota for Florida and Louisiana; it then proposes that the Secretary of Agriculture shall divide this quota as between these two States. In order that neither State shall produce more sugar than is allotted to it as its quota by the Secretary of Agriculture, the bill prohibits the shipment of any excess quota in interstate commerce. Now it is rumored that the allotment to be assigned to Florida will be approximately 60,000 tons if this bill is passed. Therefore, if Florida should undertake to ship more than 60,000 tons in interstate commerce, it would be penalized under the bill. This would not be quite so bad if the measure stopped at that point. The bill, however, goes further than this. It prohibits the local sale of sugar in competition with sugar which has been shipped in interstate commerce.

It may be possible, it may be constitutional for the Federal Government to say to me in Florida that I cannot produce sugar and ship it across the State line into Georgia because that would be a matter of interstate commerce, but I do not believe that the Federal Government has any constitutional, legal, or moral right to say to me that I cannot produce food on my own farm by my own efforts, with my own labor and my own money and sell it to my neighbor on the adjoining farm. You might as logically and as constitutionally say to a farmer that he shall not raise enough potatoes to feed his family.

Now, I know that we have gone a long way toward abolishing States' rights. I know that the tendency is toward centralizing all power in the Federal Government and toward having the bureaucrats regulate, control, and direct the daily lives of all the people of the country. But I do not believe that we have yet reached the point where a Federal official in Washington can tell a man in my State that he cannot produce food on his own land with his own labor and sell it to his neighbors in the same State.

If Congress can prohibit the production of sugar in my State it can prohibit the production of corn or wheat or apples or dairy products in other States, and not only can Congress prevent their shipment in interstate commerce but it can prevent their sale to a neighbor on an adjoining

I believe that when a bill goes to that extent it violates not only the spirit but the letter of the Constitution. I think that when this measure undertakes to limit production within a State it is treading on very dangerous ground and that this amendment is necessary to the validity and constitutionality of the statute. I believe it is also economically sound to put this requirement in the statute, and that without the amendment the measure is unfair and economically unsound. I cannot understand the economic philosophy which says that in a country which produces less than onethird of its requirements of a necessary element of food, a sovereign State shall not be permitted to produce the amount of food which it itself consumes. Such a scheme just does not make sense. All in the world this amendment will do will be to say to the beet States and to the cane States and to all of the States of this Union that they shall have a minimum quota of the amount of their own consumption requirements. That does not give to Colorado, to California, to Florida, and to Louisiana even the same consideration that is given to Puerto Rico and Hawaii, because Puerto Rico and Hawaii are permitted to produce their own requirements and are then given an allotment of the amount that they can ship into the balance of the United States. But this amendment says to my State, "You shall not be limited

to 40 percent of your consumption requirements", as the present bill would probably do, "but you will be given a minimum quota, a minimum allotment of the amount of sugar which the people of Florida consume."

I cannot see that there is anything wrong about it. It seems to me the economics are sound. It seems to me that it improves a bill whose constitutionality is at least questionable, and it appears to me to be a good amendment, and I think it ought to be adopted. I request the committee to adopt the amendment.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 3 minutes.

The CHAIRMAN. Is there objection?

Mr. BOILEAU. Reserving the right to object, what is the request?

Mr. JONES. That all debate on this amendment close in 3 minutes.

Mr. BOILEAU. Is this the only amendment to be offered on this Florida proposition?

Mr. JONES. There will be other amendments. I want 3 minutes.

Mr. BOILEAU. Is the gentleman going to oppose this amendment?

Mr. JONES. I am.

Mr. BOILEAU. I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, I trust the House will vote down this amendment as utterly unworkable and impractical, for two good and sufficient reasons. In the first place, it would require going across the border and counting just how much sugar is used in some of these States, to determine the quota of the States. It is a difficult job to handle this quota even by regions and areas, but it would mean that a man might be living on the border with part of his land in one State and part in another. It might be desirable and it might sound good, but this thing is based on an historical background. You might as well follow it down and say that each county should be permitted to have a quota of all it consumes. Then you could go down to precincts and probably divide on plantations between tenants.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield. Mr. WILCOX. The gentleman would not object to even carrying it further and saying a man ought to be permitted to produce all he can eat?

Mr. JONES. It would take a constabulary to do that job, and that is not what we are engaged in.

Mr. BOILEAU. Will the gentleman yield?

Mr. JONES. I yield.

Mr. BOILEAU. If each State were to produce all they could consume, they would have to take the quota away from some of these islands, would they not, so that we would not have an oversupply of sugar in the country?

Mr. JONES. They would probably have to adjust the situation all along the line. It is impractical.

Mr. BOILEAU. It would wreck the bill, would it not? Mr. JONES. Yes, of course it would.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. WILCOX].

The question was taken; and on a division (demanded by Mr. Wilcox) there were ayes 33 and noes 58.

So the amendment was rejected.

Mr. BUCK. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Buck: On page 24, in the table between lines 2 and 3, strike out the figures "500 to 1,500" and insert the figures "1,000 to 1,500."

Mr. BUCK. Mr. Chairman, section 304 provides the amount of the base rate of payment for benefits to growers.

Section 304 (c) provides that those payments shall be reduced in accordance with a scale of reduction on that portion of the quantity of sugar or liquid sugar included in the table of intervals of short tons set out on page 24 between lines 2 and 3. The reductions provided in the table start at 500 tons. Evidence was presented to the Committee on Agriculture by the western beet growers that the proper breakdown should start, not at 500 tons but at 1,000 tons, and that should be the starting point as provided in my amendment. The system of reduction in base payments—this is a somewhat technical matter—is based on the fact that under the original Jones-Costigan law payments were made without regard to the amount of tonnage that any individual grower or any corporation grower might produce.

As was stated earlier this afternoon, one corporation received a check for over \$1,000,000 from the Government as benefit payment. This aroused a considerable outcry, though the payment was made in strict accordance with the law. I do not believe there is anything logical at all in the system of reduction on account of gross tonnage. However, it may be that for a psychological reason some such scale as has been inserted in this bill is proper and should be adopted. I yield to the judgment of the committee in this. At the hearings, I introduced evidence covering California territory—and I cannot speak for the rest of the United States, but I believe the conditions are the same elsewhere—to show that reductions should not start at as low an amount as 500 tons per grower. We desire all individual growers to receive their full benefit. The table I introduced, at page 82 of the hearings, shows that some 95 percent of the growers-growers, understand, farmers, come under 1,000 tons. If you start at 500 tons only 83 percent will receive full payment. You are leaving out 11.3 percent of those who individually farm their lands. Why penalize them? Owing to the fact that in the West a large amount of sugar beets are raised under irrigation, owing to the amount of capital necessary to invest in irrigation plants, pipes, and other things that go with it, and owing to the acreage involved it is about impossible for an individual farmer to farm a small acreage. He will be more apt to raise between 500 and 1,000 tons. Our farmers work a larger number of acres in the West than perhaps they do in the East and the South. It is therefore somewhat reasonable to take the point where the individual farmer disappears from the picture and the corporate farmer comes into it. According to the table referred to, that point is exactly 1,000 tons.

If my amendment is adopted, 95 percent of the farmers, which means practically every individual farmer, will receive the full benefit. Those who farm larger acreage will have their benefit payments scaled down. At the same time, if my amendment is adopted, some 68 percent of the acreage of the country will receive full benefit payment, whereas if the bill remains as it is some 24 percent of the acreage will not receive the full benefit payment. This is merely a matter of fairness to the individual farmer. I hope I have made this clear to the committee and they will accept the amendment.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CUMMINGS. Mr. Chairman, I rise in opposition to the amendment

Mr. Chairman, I dislike very much to disagree with my friend the gentleman from California [Mr. Buck], but 500 tons of sugar means between 280 and 290 acres of beets. There has been trouble over benefit legislation for farmers, it is true, but I think we ought to get this right somewhere along the line.

The average beet farm in the United States is from 16 to 20 acres. In Utah it is 6. In Colorado it is something like 20. In California it is much larger. Five hundred tons of sugar means 10,000 sacks. I think, if the Government takes care of a man to that extent, that they have done pretty well by him.

Mr. Chairman, I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. VOORHIS. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment submitted by Mr. Voorhis. Page 37, line 10, after title V, add a new title, as follows:

"TITLE VI-CONSUMER-PRODUCER ADJUSTMENT PROVISIONS

"Section 601. For the protection of consumers and to permit the gradual substitution of sugar produced at low cost for sugar produced uneconomically or at high cost in areas making deliveries to the United States, and to promote increased exports of farm and factory products produced in the United States, the Secretary shall determine at the close of each calendar year the excess amount which consumers have paid during the year for sugar in the United States, and shall determine the amount of sugar which on the average is produced in the United States in 1 year on a total investment in land and production equipment equal to 20 percent of such excess amount paid by consumers. For the succeeding calendar year the Secretary shall add the amount of sugar so determined to the quotas of areas which most economically can supply such additional amount, and shall deduct such amount from the quotas of other areas: Provided, That the amount so added to and subtracted from quotas in any year shall not exceed 200,000 tons: And provided further, That the amount deducted from the quota of any area in 1 year shall not exceed 10 percent of its quota for the preceding year.

"Sec. 602. For the protection of producers and to permit the gradual adjustment of sugar production to areas economically most suited to that purpose, there shall be levied, collected, and paid additional taxes subject to the same conditions and refunds and in the amount of 50 percent of taxes authorized to be levied under title IV. The Secretary is authorized, in any calendar year and in the aggregate amount of 50 percent of total payments made under title III, to make additional payments to growers of sugar beets and sugar cane in those areas for which quotas for that year have been reduced, and such additional payments shall be distributed among the several areas in the same proportion as the distributed among the several areas in the same proportion as the distributed of total quota deductions in that year pursuant to the provisions of section 601. Such "Section 601. For the protection of consumers and to permit the gradual substitution of sugar produced at low cost for sugar pro-

year pursuant to the provisions of section 601. Such additional payments in any calendar year shall be offered to growers in each area as final payment under this act with respect to that proportion of sugar beet or sugar cane acreage which corresponds to the percentage reduction in quota of the respective area in that year, and thereafter the Secretary shall deduct from quotas determined for each such area under title II the cumulative total of its quota deductions for which final payments have been made. Within each area the additional payments in any calendar year shall be added pro rata to payments made under title III to growers in such area in that year.

"Sec. 603 For the purpose of the determinations made as pro-

"SEC. 603. For the purpose of the determinations made as provided by section 601, the excess amount paid for sugar by consumers shall be the difference between the value (raw basis), including shall be the difference between the value (raw basis), including excise tax, of sugar produced in the United States during the calendar year and the value of such sugar at the world price (New York basis) as determined by the Secretary from statistics available in the Department of Agriculture, and the total amount of sugar to be added to and subtracted from quotas shall be the result obtained by dividing 20 percent of the excess amount paid by consumers by the weighted average investment per ton of sugar produced in the United States in 1 year. Average investments per ton of sugar produced in any area of the United States which have been, or shall be, determined by the United States Tariff Commission may be employed by the Secretary in making this determihave been, or shall be, determined by the United States Tariff Com-mission may be employed by the Secretary in making this determi-nation. Determination by the Secretary of areas which most eco-nomically can supply additional amounts of sugar as provided in section 601 shall be based upon relative costs of production which have been, or shall be, found by the United States Tariff Commis-sion, with due allowance for alternative land use, conservation of soil resources, and relative returns to tenants, sharecroppers, ad-herent planters, and wage labor, as determined by the Secretary from statistics available in the Department of Agriculture." from statistics available in the Department of Agriculture.'

Mr. JONES. Mr. Chairman, I reserve all points of order on the new bill for I have not had a chance to read it. [Laughter.]

Mr. KNUTSON. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. KNUTSON. Is this a substitute for the bill under consideration or an amendment?

The CHAIRMAN. This is offered as an amendment to the bill. All points of order have been reserved by the gentleman from Texas.

Mr. VOORHIS. Mr. Chairman, for the comfort of the gentleman from Texas and of the gentleman from Minnesota, permit me to say that I entertain no illusion about the possibility of this amendment being adopted, but I believe it sets forth, if you will take the trouble to read it, a sound policy based upon the principle that the size of the quotas for different areas should have some direct relationship to the cost of production and to the capacity of those areas to produce sugar at a reasonable cost to the 130,000,000 consumers of the Nation. And may I say, also, that I sent copies of the amendment to every Member of the House some

In this short time, obviously I shall have no opportunity to explain in full the significance of this amendment, but I may briefly say that the amendmennt provides that the Secretary of Agriculture shall first compute the difference between what American consumers have paid and what they would have paid on a world market price basis. That excess payment by consumers has amounted to about \$300,000,000 per year in the last few years. I do not mean to say that I think there should be no protection for the American sugar producer who has to have a margin above the world price, but I do say that where the margin is too high and we set up quotas that we are thereby setting up a virtual monopoly.

We restrict output and then erect a tariff barrier, to boot. I think that today we have established a monopoly for the refiners. I think that the people are paying a pretty big bill in this respect, and to gradually remedy this condition is the real purpose of this amendment.

According to the amendment the Secretary would compute 20 percent of the overcharge paid by American consumers over and above the world price.

He would then determine the total investment in the production and processing of sugar. He would figure up the amount of sugar which would, on the average, be produced on an investment in land and equipment equal to 20 percent of the excess cost paid by consumers. Whatever this tonnage was, the Secretary would be instructed by this amendment to shift that much of the total of quotas of high-cost production to areas of low-cost production. A tax of 50 percent of the tax levied in title IV of this bill would be levied to make possible additional benefit payments to the growers in areas from which the quota was removed. These benefit payments would be considerably larger than the regular benefit payments, and they would be in the nature of final payments. The consumers would, in effect, have bought out that much investment in high-cost

Mr. Chairman, the purpose of the amendment is this: We have set up here a great industry, largely on the basis of political protection. It is not fair to knock the props out from under the industry all at once, even in the areas where the cost of production is high, nor would I suggest such a course, but I believe the consumers of America should get something in return for what they pay in additional costs, and that is all this seeks to do. It is an attempt to make a fair adjustment to all concerned and to point in a direction which will lead to a sounder policy.

I am in accord with the protection of American industries which are able to produce in abundance a crop or type of goods that America needs and consumes, and which can furnish this crop or goods within reasonable distance of world prices. Sugar is a special case and as long as we are legislating for the purpose of a particular industry and the protection of that particular industry, we have to use our best judgment and consider the question on the basis of merit in order to compare the gain from one course of action and the losses from that same course, the gains and losses from an alternative course, and so on.

I do not believe you can make a great sweeping principle apply when you are attempting to legislate, as we are trying to do, on the tariff, tariff protection, production control, and such things as we are attempting to do here. It is a question whether unlimited protection to a given industry really increases employment in this country. I think there are many instances where it does not do so. There are cases where the industries are of such scope and economically so sound that perhaps it does. I believe, as I said before, that each one of these industries has to be considered on its own merits. There is much merit, in my opinion, in the contention of the gentleman from Florida as indicated in this debate. They have a viewpoint that is about as sound as any we have heard.

Mr. SABATH. Will the gentleman yield?

Mr. VOORHIS. I yield to the gentleman from Illinois. Mr. SABATH. The gentleman said there is an agreement on the part of the refiners. Does not the gentleman think it would be well, if he desires to break up that combination, to ask the Federal Trade Commission to make an investigation of the secret agreements by which the American people are mulcted out of \$300,000,000 or more every year?

Mr. VOORHIS. I thank the gentleman for the suggestion. I was thinking about that, but it occurred to me that the Supreme Court of the United States has recently rendered a decision which perhaps makes that unnecessary. It found the Sugar Institute guilty, I believe, on about 40 separate counts of engaging in a combination and conspiracy in restraint of trade and commerce in sugar.

As I said, I know my amendment will not be adopted. But sooner or later we must get this whole sugar business on a much sounder and fairer basis than it is now.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I withdraw the point of order I previously made and ask for a vote on the amend-

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Voorhis]. The amendment was rejected.

Mr. PETERSON of Florida. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Peterson of Florida: Page 8, line 14, after the word "effect" strike out the period and insert in lieu after the word "effect" strike out the period and insert in lieu thereof the following: A comma and the words, "Provided, however, That any deficit of Louisiana shall be first allotted to Florida, and any deficit of Florida shall be first allotted to Louisians to the extent of their respective abilities to supply such deficit."

Mr. PETERSON of Florida. Mr. Chairman, the amendment speaks for itself. In the event the Louisiana caneproducing area fails to produce its part, then my amendment provides that Florida may have that quota, and, in turn, if Florida fails to produce its part, that quota may go to the other continental cane-producing area in the United States, namely, Louisiana.

I trust the amendment may be agreed to by the Committee. I will not take all of the time allotted to me, because I have other amendments to offer. This is very vital to the State of Florida and I sincerely trust the amendment will be agreed to. It is fair to both States and does not disturb the beet quota. I want to urge the members of the Committee to vote for it.

Mr. JONES. Mr. Chairman, I do not think it is practical, in view of the vast reaches of this industry, to have all of these allotments and deficits as between the various States. I therefore ask that the amendment be defeated.

Mr. WILCOX. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Florida.

Mr. WILCOX. This is not a matter of disrupting the allotment as between beet and cane. This simply provides that as between two cane-producing States-and there are only two-if one of the cane States fails to produce, then the other one shall have the benefit of that deficit. That cannot upset the quotas.

Mr. JONES. I think they will take care of the deficit situation. There is a formula in the bill for that.

Mr. WILCOX. Cuba might get it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Peterson].

The question was taken; and on a division (demanded by Mr. Peterson) there were—ayes 14, noes 56.

So the amendment was rejected.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word

The CHAIRMAN. Are there any other amendments to be offered?

Mr. PETERSON of Florida. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Peterson of Florida: Page 6, strike out lines 23 and 24, and on page 7, strike out lines 1 to 7, inclusive, and the table which follows and insert:

va skipsi neorate di dolla s colonia ( <b>Area</b> (p. 35 per ) nomen pos si so anciettus di	Quotas (short tons)		
	1937-38	1938-39	1939-40
(a) For domestic sugar-producing areas:	fift sign	S STILLS	Salaten
Domestic beet sugar	1, 550, 000	1, 550, 000	1, 550, 000
Louisiana Florida	360, 000 90, 000	375, 000 150, 000	400, 000 175, 000
Hawaii	938, 000	938,000	938, 000
Puerto Rico	798, 000	798, 000	798, 000
Virgin Islands	9,000	9,000	9,000
(b) For the commonwealth of the Philippine	en sterreen	A Place Savis	oct a second
Islands.	999, 782	970, 000	970, 000
(c) For foreign countries:	<b>HIMETORIE</b>	77日的海绵10	
Cuba	1, 911, 476	1, 866, 258	1, 816, 258
Foreign countries other than Cuba	26, 412	26, 412	26, 412

(d) In the event that the Secretary determines that the amount of sugar needed to meet the requirements of consumers is less than 6,682,670 short tons, then the Secretary shall first establish than 6,682,670 short tons, then the Secretary shall first establish the quotas for the areas and in the respective amounts set forth in subsections (a) and (b) and, after deducting the total thereof from the determined consumption requirements, shall prorate the difference on the basis of the quota established for Cuba and foreign countries other than Cuba in subsection (c); if the Secretary determines that the amount of sugar needed to meet the requirements of consumers exceeds 6,682,670 short tons, then the Secretary shall deduct the total of the quotas set forth in subsections (a) to (c), inclusive, from the determined consumption requirements and shall prorate the balance among the domestic sugar-producing areas set forth in (a) and Cuba and foreign countries other than Cuba on the basis of the quotas set forth in subsections (a) and (c).

Mr. PETERSON of Florida. Mr. Chairman, the purpose of this amendment is to subtract from the quotas of the Philippine Islands during the years 1937 and 1938, and the Philippines and Cuba during 1939 and 1940, in order to add to the quotas of the cane areas in continental United States. and especially in order to add to the Florida quota.

As I explained the existing situation in Florida yesterday, we cannot proceed upon a historical basis for this reason: The Everglades at one time were subject to flood. We finally drained the area by the combined effort of the Federal Government and local enterprise, and turned the Everglades into one of the greatest cane-producing areas in the world. However, just about the time the plantations were getting in good shape the quota system went into effect, and 5,000 acres were taken out of cultivation. The largest single check issued for production restriction in continental United States went to the cane-producing people of this section. I understand the argument made today by those who do not want to disturb Hawaii and Puerto Rico, so I have taken amounts from the Philippines and from Cuba in order that we may have a chance to produce in our own State. An infant industry is begging for the opportunity to expand, to expand economically, and to employ American labor with the payment of decent wages. The minimum wage is \$2.70, plus housing, lights, and so forth. I am pleading today that this vast area, developed in part through Federal funds, may be able to take care of Florida's unemployment. This amendment does not take from Hawaii or Puerto Rico, nor does it take from continental United States.

Mr. WILCOX. Mr. Chairman, will the gentleman yield? Mr. PETERSON of Florida. I yield to the gentleman from Florida.

Mr. WILCOX. The gentleman's amendment does not disturb the quotas allotted to the beet people, but leaves them exactly as in the bill?

Mr. PETERSON of Florida. Yes; exactly as in the bill. Mr. WILCOX. The gentleman's amendment does not reduce the quota allotted the Philippine Islands under the Independence Act?

Mr. PETERSON of Florida. No.

Mr. WILCOX. The amendment leaves the quota at the exact amount fixed by the Independence Act?

Mr. PETERSON of Florida. Yes.

Mr. WILCOX. However, beginning with next year, this amendment would reduce the Cuban allotment by a few tons and add this amount to the quotas of Louisiana and

Mr. PETERSON of Florida. The gentleman is correct. Mr. CALDWELL. Mr. Chairman, will the gentleman vield?

Mr. PETERSON of Florida. Yes.

Mr. CALDWELL. This amendment by subtracting from the Cuban quota does not violate the reciprocal-trade agreement in any way?

Mr. PETERSON of Florida. No.

I am pleading for the opportunity to expand for American capital, American labor, and American producers. We begin at a quota less than the consumption of our own State. I hope the committee will back me up on this amendment.

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the allotment for Florida and Louisiana under the original act was 220,000 tons, which was later increased to about 360,000 tons. This allotment gives them practically 100,000 tons above the previous amount. It is a difficult matter to figure out quotas. When you get to figuring on them you can just reach up in the air and pull down another one and get all confused. These quotas have been carefully worked out. I hope the Committee will not adopt this amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

Mr. WILCOX. Reserving the right to object, Mr. Chairman, I would like to be recognized for 2 minutes.

Mr. PHILLIPS. Mr. Chairman, I would like to be recognized for 3 minutes.

Mr. JONES. Are there any other amendments? Mr. GREEN. I have an amendment, Mr. Chairman.

Mr. JONES. Mr. Chairman, I modify my request and ask unanimous consent that hereafter all remarks on all amendments be limited to 2 minutes, with the understanding that if there is time not occupied after the offering of all amendments, any Member who is recognized may use the remaining time.

Mr. McCORMACK. Mr. Chairman, reserving the right to object, does the gentleman from Texas have in mind that the gentleman from Connecticut [Mr. PHILLIPS] desires to be recognized for 2 minutes?

Mr. JONES. I think the gentleman should be recognized. The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILCOX. Mr. Chairman, may I call the attention of the membership to the fact that when I offered an amendment a few moments ago to guarantee to each sugar-producing State a minimum quota equal to its own requirements of sugar, the amendment was objected to by the chairman of the Committee on Agriculture upon the ground that it was too indefinite. The gentleman from Florida [Mr. Petersonl has now offered an amendment which is very specific. The gentleman's amendment does not take away from the beet producer a single ounce of the sugar provided for in this bill. It guarantees the beet producers the same amount guaranteed in the bill. It does not disturb Hawaii or Puerto Rico but leaves them exactly as they are under the terms of the bill. It does not reduce the quota of the Philippine Islands below the amount specified in the Independence Act but simply takes from the Philippines any excess above the amount specified in that act. However, the amendment does gradually take from the Republic of Cuba, an independent nation, a small amount, a few tons a year, and permits the development of a profitable and efficient industry financed by American capital and carried on by American workmen in American territory. It will open the way for the employment of a few thousand American citizens who otherwise must continue on relief.

Mr. CALDWELL. Mr. Chairman, will the gentleman vield?

Mr. WILCOX. Yes.

Mr. CALDWELLi. This amendment does not reduce the quota of Louisiana?

Mr. WILCOX. It does not reduce the quota of Louisiana but increases it to a small degree, the same as it does the quota of Florida. This amendment does not disturb a single thing in this bill, except that it does permit the gradual reduction by a few tons a year of the amount which has been gratuitously given the Republic of Cuba.

Mr. PHILLIPS. Mr. Chairman, first of all I must respectfully decline to yield because of the shortness of the time

I am sure there must be other Members of the House beside myself who have listened to the debate here for the last few hours, hearing that one group of our citizens will be helped by certain legislation and hearing that other groups will be helped, a section here and a section there, but how many people have come down to the Well of this House and raised their voices telling of the moral responsibility we have to Puerto Rico and Hawaii because we took them, in effect, by force of arms and we keep them, in effect, by force of arms, and have a moral responsibility therefore to treat them just the same as the people of continental United States

Mr. Chairman, if I make an agreement with you and you make an agreement with me, and suddenly the agreement pinches, none the less we are morally bound, and should be bound, to go on with that agreement, and therefore much as some other people, I am sure beside myself, but certainly myself feel that we might like to vote for legislation of this kind, we feel we are sitting here and in effect acting like footpads haggling over the personal effects of somebody whom we have waylaid. So until we recognize Hawaii and Puerto Rico like other people in the community of the United States I, for one, feel that we should vote against this whole bill, lock, stock, and barrel. [Applause.]

Mr. JONES. Mr. Chairman, I desire to state in connection with this amendment that I hope the House will not disturb the arrangements made here with reference to quotas, because it has been worked out and there are many conflicting interests involved.

I want to make one statement in answer to an argument made the other day about permitting America to produce all that her farmers can of any commodity not produced in surplus quantities. I thoroughly agree with that philosophy for any industry that does not require special protection. If we had no stimulus to production and without protection, on their own, they could expand, that would be one thing, but when we are making a special provision that would grant benefit payments and grant certain special concessions, as well as protection, then if these are to continue, it seems to me it is but fair that we should prevent artificial stimulation of enlarged production.

I felt this should be stated in connection with the statements that have been made.

Mr. KING. Mr. Chairman, I move to strike out the last word just for the purpose of taking about 30 seconds.

I appreciate the remarks of the gentleman from Connecticut [Mr. Phillips], but I would like to make one correction. Hawaii came under the American flag voluntarily and was not captured or purchased. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Peterson].

The question was taken; and on a division (demanded by Mr. Peterson of Florida) there were—ayes 23, noes 45.

So the amendment was rejected.

Mr. GREEN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Green: On page 10, line 19, strike out the period, insert a colon and the following: "Provided, That the Secretary of Agriculture shall allot to Florida not less than 90,000 tons annually, 25,000 of which shall be charged against quotas of foreign countries as provided in this act."

Mr. GREEN. Mr. Chairman, I think this brings the question right down to its final analysis. Will this Congress give Florida 25,000 tons that now go to Cuba and foreign countries? Do you want us to expand or do you want Cuba to expand? Do you want us to pay \$2.70 for labor as we do in Florida, or do you want the American people to eat 17-cents-a-day-labor sugar made in Cuba and in other foreign countries? Are we to be treated as well as the Territories, are we to be treated as Americans, or are we to be treated worse than those in foreign countries?

Mr. Chairman, we are in dead earnest about this matter. If the chairman tells you this amendment does not conform with other sections of the bill, let it go to the other end of this Capitol and there be whipped into certain form, and allow this amount of 25,000 tons to be taken from foreign countries and given to a State which I still say is one of the 48 States of this Union. Mr. Chairman, it is wrong, it is bad legislation, if you penalize a State of this Union and place it further down in the category of privilege—if you want to put it that way—than you place foreign countries. I urge you to vote for the amendment. It is fair and just.

Mr. JONES. Mr. Chairman, I hope the amendment will be voted down. The formulas are set out in the bill. It is a technical matter and if we undertake to make these little changes, we will have a bill all out of kilter. I hope the amendment will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. Green) there were—ayes 32, noes 45.

So the amendment was rejected.

The CHAIRMAN. There being no other amendment, under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bland, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7667, and pursuant to House Resolution 297, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question has been ordered. Is a separate vote demanded on any amendment? [After a pause.] If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. Lanzetta) there were—ayes 165, noes 55.

So the bill was passed; and a motion to reconsider the vote by which the bill was passed was laid on the table.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Dempsey, for today, on account of illness.

## ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection? There was no objection.

#### EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on H. R. 7948, which passed the House last Monday, explaining the provisions of the bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to incorporate in the remarks I made this afternoon a certain petition.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein correspondence between myself and the Governor of the Farm Credit Administration dealing with the policy of the Farm Credit Administration, and with deficiency judgments.

The SPEAKER. Is there objection? There was no objection.

#### LEAVE TO FILE REPORT

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Committee on Labor may have until midnight tomorrow night to file a report upon the wage and hour bill.

The SPEAKER. Is there objection? There was no objection.

#### EXTENSION OF REMARKS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks made this afternoon by inserting a table referred to.

The SPEAKER. Is there objection? There was no objection.

#### SPECIAL ORDER

The SPEAKER. Under the special order of the House heretofore made the gentleman from Texas [Mr. Jones] was to be recognized for 1 hour. The Chair understands, however, that the gentleman from Texas does not desire to avail himself of that privilege today.

The gentleman from California [Mr. Dockweiler], under the special order of the House, is entitled to be recognized for 5 minutes.

#### CARE OF TRANSIENTS IN CALIFORNIA

Mr. DOCKWEILER. Mr. Speaker, what will happen this winter to the thousands of destitute who fled to California from other States seeking relief from the dust, drought, and depression? Federal relief aid has been curtailed; California's relief burden is fast becoming unbearable, and impoverished thousands, living in squalor, facing hunger and disease, threaten national health and add to the possibility of a bitter and possibly violent agricultural and industrial labor conflict.

Assistant W. P. A. Administrator Aubrey Williams, while on a recent tour of western relief agencies, is quoted by a Los Angeles newspaper as saying:

Care of transients—and of homeless Americans from the Dust Bowl—is strictly a State problem.

With that assertion, Mr. Speaker, apparently we cannot hope for substantial aid from Mr. Hopkins, W. P. A. Administrator. Apparently the responsibility for thousands of drought and depression refugees from all parts of the United States has been tossed directly into the laps of California taxpayers, who are already staggering under a terrific and ever-increasing relief burden. What are we in California doing to help out this situation, speaking for Los Angeles County?

In 1936 the cost of all classes of relief amounted to \$87.51 per taxpayer, or \$44.52 for each of the 2,366,904 persons

residing in the county. In 1925 relief cost per capita was only 92 cents, with a gradual increase up to 1934 when it was \$22.51 per person. In 1935 the cost of relief climbed to \$30.24, and last year, in Los Angeles County, it was \$44.52 per capita. Other California counties have experienced the same startling upward trend in relief costs which are fast becoming unbearable to local taxpayers.

California tax rates have grown with the increasing cost of relief. The tax rate in Los Angeles County has increased from 80 cents per \$100 of assessed valuation in 1920 to \$1.27 for the fiscal year 1936-37 and preliminary estimates for the current year indicate a tax rate of \$1.65 per \$100, a 34 percent increase over the previous year. Rates in other California counties have increased accordingly. So you see we Californians are not welching from our share of the responsibility.

Despite the overwhelming increases in the cost of relief in California brought about by the influx into the State of refugees from all parts of the United States, the Assistant W. P. A. Administrator insists that responsibility for the welfare of these people is California's own problem.

Since the depression and the drought hundreds of thousands of refugees have been flooding into California from other States seeking relief from debt-burdened homes, dust covered farms, and other hopeless conditions. Most of the migrants entered southern California declaring it their destination and a large proportion of these said they were seeking employment. More than 75 percent of the jobseekers were from the drought States. Adding these people to other types of relief cases, today there are 275,362 men, women, and children dependent in one form or another on relief from the several government agencies in Los Angeles County alone.

Clearly, California agriculture and industry cannot absorb the dwelling tide of destitute migrants within a short time. Most of the migratory workers are seeking agricultural employment and the field is greatly overcrowded. State agricultural production grew only 20.1 percent from 1920 to 1930, but the number of available farm workers grew by 57.1 percent. While large-labor requiring crops played a more important role in State agriculture in 1930 than in 1920, the difference is not great enough to justify the growth in the number of agricultural workers. Furthermore, the peak of California's farm labor demand is about four times as great as the low point and the off-season falls in the winter months. What will happen this winter to the thousands thrown out of employment as well as to the scores of refugees who flock into California every day in search of work?

Each month of last year 23,000 people were placed in jobs by the State reemployment service, but it is impossible to fill the ever-increasing demand for employment. Estimates made by farm employers indicate that in 1935 there were 128 farm workers for every 100 jobs, and this excess of 28 percent applied to agricultural workers as a whole and not merely to migratory workers. Since 1935 the number of excess workers has undoubtedly increased tremendously. "All the settlers need", Assistant W. P. A. Administrator Aubrey Williams is quoted as saying, "are jobs, sanitation, and good food." I agree with Mr. Williams. But where are these destitute people to find these necessities in a State where the labor market is flooded, the State overburdened with the relief load, and the W. P. A. program curtailed.

A California relief administration study of applicants for relief in 1935 reports average annual earnings of 775 migrant families, most of which received between \$300 and \$400 in 1930, and between \$100 and \$200 in 1935. The great influx of additional labor will cause further decrease in wage rates and a spread of labor unrest. How far, Mr. Speaker, will wages drop? How far will standards of living fall?

The ragged camps of migrants squatting in filth by the roadside, in open fields, along irrigation ditches, or on garbage dumps fairly beggar description. These people are not stumble bums. Disease is rife, and National as well as State health is seriously threatened. Large growers sometimes pro-

vide good housing for workers, but smaller groups with short peak seasons are often unable to do this. Many camps similar to the present three Resettlement camps are needed to provide adequate housing for migrants not only in California but also in other States, where Dust Bowl refugees and other homeless tend to concentrate. The resettlement camps in California house 500 families, less than 1 percent of the State's estimated migratory workers.

Two years ago California threatened, in self-defense, to close its borders to the destitute people who were creating such an economic problem within the State. The resulting howls from Washington, accompanied by threats of cutting off Federal relief aid, were heard across the country. Instead of closing her borders, the California relief laws were liberalized and migrants from all parts of the United States continued to pour into the State. But there is an economic limit to the number of destitute which the State can support. Taxpayers threaten to strike; and unless the Federal Government will make an effort to understand California's unique relief problem and cooperate with the State in solving the situation, the State borders may yet be closed in self-defense.

The drought refugees from the Great Plains who have been pouring into California by the scores of thousands to the west coast are leaving areas where depopulation is desirable for the national economy. They are not drifting but are seeking resettlement. They are helpless victims of a short-sighted national policy which threw open the Great Plains to a type of settlement unsuitable to natural conditions.

Why should not the Federal Government help us financially in this plight? The creation of the Midwestern Dust Bowl and the attendant problems have their roots in economic conditions, prevailing attitudes, and public policies reaching back into the 1860's. The lure of free land on the frontier under the Homestead Acts was the major influence in the settlement of the Great Plains. The movement gained force and direction from such factors as favorable market conditions, the development of railroad transportation, and the lure of free or cheap land. But throughout the settlement period free land greatly stimulated immigration and materially affected the pattern of settlement. Public-land policy proved unfortunate in at least two respects. Speculation in land, with attendant abuses in its development, was facilitated, and the holdings permitted under the Homestead Acts were so small as to stimulate overcultivation. Both factors tended to induce a more intensive use of land in the Great Plains than was justified by natural conditions. Millions of acres of natural grass cover which should never have been touched by a plow were turned under and the soil exposed to the scorching sun and the winds, which later turned parts of the Great Plains into a barren desert.

Let me repeat again that today the Federal Government, speaking through Mr. Williams, of the W. P. A., disclaims any responsibility for the drought refugees from the Great Plains

Mr. Edward J. Rowell, regional labor adviser of the United States Resettlement Administration, in a report, Drought Refugee and Labor Migration to California in 1936, writes:

Those States characterized as drought States continued to be the heaviest sources of migrants. Of the total of 71,047 migrants entering the State during the year (ending June 15, 1936), 56,225, or 79.1 percent came from the drought States. During the first 6 months of 1936 the proportion of Dust Bowl refugees was even greater than in the last half of 1935. Of all out-of-State migrants 85.5 percent fled from the drought area during 1936 as compared with 74.8 percent in 1935. Oklahoma alone contributed 24.6 percent of all out-of-State migrants and the States of Oklahoma, Texas, Arizona, Arkansas, and Missouri, combined, contributed 64.8 percent. It is apparent, therefore, that the tragic disruption of the rural economy of this area is by far the most important factor in the movements under consideration.

Last year 12.3 percent of the Nation's total transient population received State and county aid in California which in 1930 had only 4.7 percent of the Nation's population. In

a 24-hour census of the transient and homeless conducted in 1935 by local public agencies in Los Angeles 95 percent of 4,033 cases were interstate wanderers, and among the total of 1,656 persons arrested and convicted for vagrancy in Los Angeles in January 1936, 75 percent had been in the State less than 1 year.

Although California taxpayers are bearing more than a just share of the relief burden, the State has received the lowest per-capita apportionment of Federal funds in comparison with other major industrial States. In fact, the average per capita of Federal relief for California has been less than the average per capita for the United States. This low average has been maintained despite the facts that California is the fifth ranking State in population, stands third in provisions for State and county relief funds, and is staggering under an ever-increasing relief burden.

Mr. Speaker, the burden of localities which receive disproportionately large numbers of persons in need of relief and rehabilitation, whether drought refugees or migrants following hoped-for agricultural work, is a heavy one. The problem of transient relief is a national problem and, as such, should be dealt with by the Federal Government. State and Nation should share the financial burdens imposed on county and State by relief, rehabilitation, or resettlement of nonresidents. It is the only efficient, economical, and equitable solution.

Federal aid in the form of W. P. A. funds apportioned to the State in accordance with the net total of transients and drought refugees entering California from other States would be a just and equitable method in solving California's relief problem. The Resettlement Administration should authorize loans to migrant agricultural families which will enable them, where land values are not too high, to set up farms of their own in suitable locations on the Pacific coast. Many more resettlement camps for migrants should be built not only in California but in every area where migratory workers need better housing and sanitation.

It is only fair to ask that the Federal Government take immediate steps to provide aid for the thousands of destitute in California and other communities where transients from all parts of the United States tend to concentrate. The health, education, and morale of these people who travel across State lines in search of better living conditions is more than a State problem; it is national in scope. The localities need the assistance of the National Government, and need it quickly so these unfortunates will not starve or fall victim to disease this winter.

Mr. Speaker, what is going to happen this winter to the impoverished thousands who have been driven to California from other States by dust, drought, and depression? Is the administration going to allow them to be the forgotten men, women, and children of 1937? If this great human influx continues for long, then the California taxpayer will be leveled down to impoverishment, and he might just as well resign now and take up his household effects and, bag and baggage, settle with the unemployed migratory band of his fellows.

The SPEAKER. The time of the gentleman from California [Mr. Dockweiler] has expired.

#### EXTENSION OF REMARKS

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent to add to my remarks made this afternoon an editorial from the Baltimore Sun on yesterday, to which reference was made in my remarks.

The SPEAKER. Without objection, it is so ordered. There was no objection.

### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 826. An act for the relief of the estate of H. Lee Shelton, the estate of Mrs. H. Lee Shelton, Mrs. J. R. Scruggs, and Mrs. Irvin Johnson; and

S. 1219. An act for the relief of Pauline M. Warden, nee Pauline McKinney.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7472. An act to provide additional revenue for the District of Columbia, and for other purposes.

#### ADJOURNMENT

Mr. THOMASON of Texas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.), pursuant to its order heretofore entered, the House adjourned until Monday, August 9, 1937, at 12 o'clock noon.

## COMMITTEE HEARINGS

## COMMITTEE ON NAVAL AFFAIRS

Special Subcommittee on Naval Affairs, appointed by Chairman Carl Vinson will hold continued open hearings on H. R. 7777, to further amend section 3 of the act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limit prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926; 34 U. S. C., sec. 496), Monday, August 9, 1937, at 10:30 a. m.

#### COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., Tuesday, August 10, 1937, at 10 a.m., on H. R. 8080, a bill to establish a fund for the insurance of mortgages securing loans for the construction or reconditioning of floating property used for commercial purposes

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

780. A letter from the Acting Secretary of Commerce, transmitting a report pertaining to the sale of 128,659 pounds of paper for \$270.18 which was recommended in House Report No. 1003, Seventy-fifth Congress, first session; also the sale of 4,330 pounds of paper for \$9.09, authorized in House Report No. 3080, Seventy-fourth Congress, second session; to the Committee on the Disposition of Executive Papers.

781. A letter from the Attorney General, transmitting a draft of a bill in compliance with the Naval Appropriation Act, approved March 3, 1909 (35 Stat. 768; U. S. C., title 34, sec. 533), authorized the sale of goods by Navy post exchanges to officers and enlisted men of the Navy and Marine Corps and to civilians employed at naval stations located beyond the continental limits of the United States and in Alaska; to the Committee on Naval Affairs.

782. A letter from the Archivist of the United States, transmitting a report consisting of 889 items, among the archives and records of the Department of Commerce; to the Committee on the Disposition of Executive Papers.

783. A letter from the Archivist of the United States, transmitting a report consisting of 11 items, among the archives and records of the Department of the Navy; to the Committee on the Disposition of Executive Papers.

784. A letter from the Archivist of the United States, transmitting a report consisting of 33 items, among the archives and records of the Department of the Interior; to the Committee on the Disposition of Executive Papers.

785. A letter from the Archivist of the United States, transmitting a report consisting of 562 items, among the archives

and records of the Department of Agriculture; to the Committee on the Disposition of Executive Papers.

786. A letter from the Archivist of the United States, transmitting a report consisting of 332 items, among the archives and records of the Department of the Treasury; to the Committee on the Disposition of Executive Papers.

787. A letter from the Archivist of the United States, transmitting a report of six items, among the archives and records of the Department of War; to the Committee on the Disposition of Executive Papers.

788. A letter from the Archivist of the United States, transmitting a report consisting of 57 items, among the archives and records of the Department of Labor, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

789. A letter from the Archivist of the United States, transmitting a report consisting of one item, among the archives and records of the Civil Service Commission which the Commission has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

790. A letter from the Archivist of the United States, transmitting a report consisting of 91 items, among the archives and records of the Veterans' Administration, which the Administration has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

791. A letter from the Archivist of the United States, transmitting a report consisting of one item, among the archives and records of the Federal Trade Commission, which the Commission has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

792. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 170 items, among the archives and records of the Federal Communications Commission, which the Commission has recommended should be destroyed or otherwise disposed of; to the Committee on the Dispostion of Executive Papers.

793. A letter from the Archivist of the United States, transmitting a list of papers, consisting of one item, from the Civil Service Commission; to the Committee on the Disposition of Executive Papers.

794. A letter from the Archivist of the United States, transmitting a report, consisting of two items, among the archives and records of the Federal Emergency Administration of Public Works; to the Committee on the Disposition of Executive Papers.

# REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 7697. A bill to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes; without amendment (Rept. No. 1450). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1998. An act to amend the act entitled "An act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture", approved June 24, 1936; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. S. 2475. An act to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes; with amendment (Rept. No. 1452). Referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN: A bill (H. R. 8174) to make available

By Mr. DUNCAN: A bill (H. R. 8174) to make available to each State which enacted in 1937 an approved unemployment compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936; to the Committee on Ways and Means.

By Mr. DIRKSEN: A bill (H. R. 8175) to aid in the prevention of certain injurious and uneconomic practices in the distribution in the District of Columbia of competitive commodities bearing a distinguishing trade-mark, brand, or name; to the Committee on the District of Columbia.

By Mr. EDMISTON: A bill (H. R. 8176) providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War, and for other purposes; to the Committee on Military Affairs.

By Mr. MAGNUSON: A bill (H. R. 8177) to create a commission to be known as the Alaskan International Highway Commission; to the Committee on Foreign Affairs.

By Mr. HARRINGTON: A bill (H. R. 8178) to amend the act cited as the Farm Credit Act of 1933, as amended, to improve and safeguard the financial integrity of the Farm Credit Administration by effecting a better coordination of Federal lending and marketing activities, and for other purposes: to the Committee on Agriculture.

By Mr. JENKINS of Ohio: A bill (H. R. 8179) to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings; to the Committee on the Judiciary.

By Mr. MAVERICK: A bill (H. R. 8180) creating a United States Unemployment Commission to investigate the problem of unemployment in the United States, and for other purposes; to the Committee on Labor.

By Mr. CASEY of Massachusetts: Joint resolution (H. J. Res. 482) giving advance consent to compacts relating to flood-control projects in the Connecticut River Basin; to the Committee on Flood Control.

By Mr. CITRON: Joint resolution (H. J. Res. 483) to establish the General Casimir Pulaski Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PETERSON of Florida: A bill (H. R. 8181) for the relief of James F. Johnston; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8182) for the relief of Joseph Crisp; to the Committee on Naval Affairs.

By Mr. WITHROW: A bill (H. R. 8183) to confer citizenship on Christian Holseth; to the Committee on Immigration and Naturalization.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3143. By Mr. CULLEN: Petition of the International Association of General Chairmen, Brotherhood of Railroad Trainmen, urging the enactment of Federal train-limit law; to the Committee on Interstate and Foreign Commerce.

3144. By Mr. CURLEY: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, endorsing the Allen-Schwellenbach bill, providing for the reinstatement of workers dismissed from the Works Progress Administration and who have not found employment in private industry; to the Committee on Appropriations.

3145. Also, petition of the New York Lawyers Association, of New York City, urging disapproval of House bill 1659, providing for the establishment of the Bank of the United States owned, operated, and controlled by the Government of the United States; to the Committee on Banking and Currency.

3146. Also, petition of the New York County Lawyers' Association of New York City, urging enactment of Senate bill 2494, in relation to changing the 2-cent local rate on letters so that instead of applying to only first-class matter mailed for local delivery it covers all mailing for delivery within the corporate limits of the same municipality; to the Committee on the Post Office and Post Roads.

3147. Also, petition of sundry citizens of the city of New York, endorsing the Allen-Schwellenbach bill for the reinstatement of needy workers dismissed from the Works Progress Administration rolls and unable to find employment; to the Committee on Appropriations.

3148. By Mr. FITZPATRICK: Petition of Local No. 802 of the Associated Musicians of Greater New York, urging the passage of the Schwellenbach-Allen resolution relative to Works Progress Administration workers; to the Committee on Appropriations.

3149. Also, petition of the Central Union Label Council of Greater New York, urging the passage of the Schwellenbach-Allen resolution in relation to the reinstatement of Works Progress Administration workers; to the Committee on Appropriations.

3150. Also, petition of the Brotherhood of Railroad Trainmen, urging the passage at this session of Congress of the train-limit bill, known as Senate bill 69; to the Committee on Interstate and Foreign Commerce.

3151. By Mr. LUTHER A. JOHNSON: Petition of E. E. McAdams, executive secretary, League of Texas Municipalities, Austin, Tex., favoring House bill 7186, with respect to the payment of interest on demand deposits of certain public funds; to the Committee on Rules.

3152. Also, petition of C. W. McCaskill, secretary, Ennis Division, No. 88, Order of Railway Conductors of America, Ennis, Tex., favoring House bill 147, train-limit bill; to the Committee on Interstate and Foreign Commerce.

3153. Also, petition of E. C. Hawkins, vice president, Ennis State Bank, and Ernest L. Raphael, both of Ennis, Tex., favoring House bill 6744; to the Committee on Agriculture.

3154. By Mr. KEOGH: Petition of the Brotherhood of Railway Trainmen, Cleveland, Ohio, concerning the trainlimit bill (S. 69); to the Committee on Interstate and Foreign Commerce.

3155. Also, petition of the Interstate Airways Committee, Washington, D. C., concerning the McCarran-Lea bill for public regulation of air transport; to the Committee on Interstate and Foreign Commerce.

3156. Also, petition of the Central Union Label Council of Greater New York, Brooklyn, N. Y., concerning the Schwellenbach-Allen joint resolution; to the Committee on Labor.

3157. Also, petition of the United Shoe Workers of America, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Labor.

3158. Also, petition of E. R. Squibb & Sons, New York, concerning the Lucas amendment to the sugar bill (H. R. 7667); to the Committee on Agriculture.

3159. Also, telegram of the Beauty and Barber Supply Institute, Inc., New York City, concerning the sugar bill (H. R. 7667); to the Committee on Agriculture.

3160. Also, petition of the Triangle Ink & Color Co., Inc., Brooklyn, N. Y., concerning the Black-Connery bill; to the Committee on Labor.

3161. Also, petition of the G. F. Richter Manufacturing Co., Inc., Glendale, Long Island, N. Y., concerning the Black-Connery bill; to the Committee on Labor.

3162. Also, petition of the Merchants Association of New York, concerning the Fair Labor Standards Act; to the Committee on Labor.

3163. By Mr. LANHAM: Petition of Elizabeth Fountain and others, concerning House bill 2257; to the Committee on Ways and Means.

3164. By Mr. O'NEAL of Kentucky: Petition of 38,449 citizens of Louisville and Jefferson County, Ky., praying for direct aid by appropriation of the Congress of these United States of America to the flood sufferers of the Ohio Valley; to the Committee on Appropriations.

3165. By Mr. PFEIFER: Petition of the Washington Restaurant Association, Washington, D. C., concerning House bill 7950; to the Committee on the District of Columbia.

3166. Also, petition of the Eagle Lock Co., New York, concerning the train-limit bill (S. 69); to the Committee on Interstate and Foreign Commerce.

3167. Also, petition of the Brotherhood of Railroad Trainmen, Cleveland, Ohio, concerning the train-limit bill (S. 69); to the Committee on Interstate and Foreign Commerce.

3168. Also, petition of the American Bakers Association, Chicago, Ill., concerning Senate bill 2475 and House bill 7200, the wages-and-hours bill; to the Committee on Labor.

3169. Also, petition of the Merchants Association of New York, concerning the Fair Labor Standards Act; to the Committee on Labor.

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3170. Also, petition of Rockwood & Co., Brooklyn, N. Y., concerning the Celler bills (H. R. 7152 and 7550); to the Committee on Ways and Means.

3171. Also, petition of the Triangle Ink & Color Co., Brooklyn, N. Y., concerning the Black-Connery bill; to the Committee on Labor.

3172. Also, petition of the Interstate Airways Committee, Washington, D. C., concerning the McCarran-Lea bill, for public regulation of air transport; to the Committee on Interstate and Foreign Commerce.

3173. Also, telegram of the Beauty and Barber Supply Institute, Inc., New York City, concerning the sugar bill (H. R. 7667); to the Committee on Agriculture.

3174. Also, telegram of the Toilet Goods Association, New York, concerning the Gambrill amendment to the sugar bill (H. R. 7667); to the Committee on Agriculture.

(H. R. 7667); to the Committee on Agriculture. 3175. Also, petition of E R. Squibb & Sons, New York, concerning the Lucas amendment to the sugar bill (H. R. 7667); to the Committee on Agriculture.

3176. By Mr. SANDERS: Petition of the American Legion of Kilgore, Tex., urging passage of H. R. 6704 and S. 25, the Sheppard-Hill universal service bills; to the Committee on Military Affairs.

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